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STIEFEL LABORATORIES INC ■ MAY 2009

WORKlife

Stronger Focus on Customers and Markets Results from Changing Skin-Health Environment

For Stiefel, today's customers and markets are different from those of yesterday, and they are likely to differ from those of tomorrow. Dermatologists are decreasing in number, with many shifting to aesthetics and procedures, often moving to part-time roles or being supplanted by "physician extenders," who are similar to physician assistants in general doctors' offices. More patients and consumers are turning to self medication and self treatment through alternative sources.

The marketplace is also changing. There is:

- Stronger competition from fewer "dermatology-specialty" companies.
- More direct competition from retail chains and others, all increasing price pressures.
- More government control of health care, especially coverage and pricing.
- Global economic recession affecting the skin health business.

As varied as these realities of the current environment are, they are likely to continue to change, not necessarily for the better.

So is it any wonder Stiefel must renew and strengthen its focus on the customer?

"We have traditionally been in close touch with our customers, often on a personal level, but our customers are changing both in terms of who they are and how they deal with skin health," said Bill Humphries, president, Stiefel. "So, we have to get even closer to them and make sure we know them, what they need and want, and then make sure we fulfill those demands.

"The good news is that Stiefel's business is diversified into self treatment," Bill noted, "and the fiscal year 2010 Global Commercial Plan aims to strengthen that position. Further, our recent launch of RevaléSkin® and acquisition of ABR Invent/ABR Development has marked our firm entry into aesthetics."

The stronger focus on customers and the marketplace is a top priority for Stiefel in FY10 (April 1, 2009–March 31, 2010). Providing superior customer experience is one of the four FY10 Corporate Strategies (see Page 10).

"As we create a laser-like focus on our customers and the marketplace, it means ensuring a higher standard of service," Bill said.

"We have to create an experience that customers are delighted with, to the point that they want to tell everyone else about us and our products."

To help meet these new goals for customer service excellence and market focus, Stiefel's organization and resources are being realigned, especially within the commercial team.

"We looked at everything we do and structured the whole team and then our footprint, our innovation and development, and our support services, behind the goal of delivering a superior experience to each customer," Bill said. "Then, we made sure those actions collectively are directed at three strategic global markets: Rx, self treatment, and aesthetics."

While Rx continues to dominate Stiefel's overall business (roughly 65 percent), the goal is to create a more even balance among those three lines by FY13.

Reaching that goal while continuously improving customer service will require not only company-wide adjustments in resources but also a renewed commitment to the customer among every Stiefel team member. ■





Your Role in Providing a Superior Customer Experience

Wherever you are within our global organization, you have a connection to the customer.

Some of those connections may seem distant and infrequent, while others could be called local and constant. Either way, you are inherently linked to the customer because you are part of an enterprise that has a Mission aimed directly at the customer: To improve the quality of life by enthusiastically enhancing the health, appearance, and comfort of the skin.

For every one on our team, providing a superior customer experience is part of our DNA. You may do it by helping to determine the best price for our products, or you may do it by persuading customers that our product prices represent the best value in the market. Regardless, you are a big part of the plan—the FY10 Corporate Plan, that is. It states “it is critical to our overall success that we have the ability to identify and predict our customers’ needs and delight them through our relationships, products, and services.”

Likewise, our commitments within The Stiefel Way lead with “Our Commitment to Customers,” and it states that “we provide a unique passion for understanding and advancing skin science, leveraging our unparalleled heritage and commitment to dermatology.”

As you know we experienced a historic day in our history when we announced plans to join forces with GlaxoSmithKline (GSK). Among the world’s largest and most successful pharmaceutical and consumer healthcare products companies, GSK recognized our unparalleled relationships with customers and leadership in the dermatology market, which is a testament to your commitment and drive.

We believe joining forces with GSK will afford even greater opportunities to provide superior customer service and leading products while allowing us to stay true to the core Mission and Values that have made Stiefel a trusted brand for 160 years.

The key is that we always stay passionate and committed, look for ways to improve the products and services we deliver to the customer, and work as one to improve processes so that the end result is a superior experience for every customer.

Bill Humphries
President

For more information about the Stiefel-GSK agreement, visit Integration Central on the Stiefel NAVIGATOR.

WORKlife

Our workplace is a common thread uniting all of our lives. Twice a year, *WorkLife* will spotlight Stiefel people, places, and ways we work together.

contributors

- Jasmine Ang, SINGAPORE
- Erin Bacher, ATLANTA
- Amy Button, ATLANTA
- Monique Baudouin, MAIDENHEAD
- Paula Becht, ATLANTA
- Meredith Bilow, ATLANTA
- Pierre Boucher, MONTREAL
- Kimberly Cash, RESEARCH TRIANGLE PARK
- Courtney Crocker, RESEARCH TRIANGLE PARK
- Melissa Del Castillo, CORAL GABLES
- Martin Desgagnés, MONTREAL
- Larry Herring, ATLANTA
- Elaine Jeffries, RESEARCH TRIANGLE PARK
- Melody Johnson, ATLANTA
- Christina Keller, ATLANTA
- Hwa Youn Lee, KOREA
- Camilia Lozano, CORAL GABLES
- Dick MacKay, MONTREAL
- Austin Mercado, CORAL GABLES
- Carlos Moreno, CORAL GABLES
- Geraldine Mullen, SLIGO
- Scarlet Monroe Petit, ATLANTA
- Bill Sterling, PALO ALTO
- Todd Stiefel, CORAL GABLES
- Nancy Warwick, ATLANTA
- Amy Zheng, SINGAPORE

review board

- Devin Buckley, CORAL GABLES
- Martin Floreani, CORAL GABLES
- Bill Humphries, ATLANTA
- Jeff Klimaski, ATLANTA
- Alfonso Ugarte, ATLANTA

executive sponsor

- Steve Karasick, ATLANTA

editorial board

- Please submit comments, questions, story ideas, news, and suggestions to any member of the editorial team:
- Denise Austin, ATLANTA
 - Jade Finley, RESEARCH TRIANGLE PARK
 - Frank May, ATLANTA
 - Morgan Roan, ATLANTA
 - Liz Woodfield, MAIDENHEAD

All dollar references throughout this newsletter are in U.S. dollars.





Becoming a Market-Focused Organization

By Alfonso Ugarte, *Senior Vice President, Rx/Aesthetics, The Americas*

Much discussed throughout this publication of *WorkLife*, is the goal of providing a superior customer experience. Our president, Bill Humphries, states in the cover article that we have to create an experience that customers are delighted with, to the point that they want to tell everyone else about us and our products. Superior customer experience is now part of Stiefel's global strategies and corporate plans for today and tomorrow.

So, we ask ourselves: How do we get there as a diverse, unique organization with various customers spread across the globe? Most business experts say success lies in establishing and fostering an organizational culture focused on customers and the marketplace.

What is a market-focused organization? It is one in which employees have a strong

understanding of its key customer audiences. In Stiefel's case, the customers are:

- Physicians who prescribe ethical products
- Physicians who recommend and/or dis-pense aesthetics products
- Pharmacists who dispense and/or recom-mend Stiefel products
- End-users who purchase Stiefel products from the shelves of retail and pharmacy chains or other outlets

Each of us should be familiar with these target audiences and understand what is expected from our company. We must then work as one to meet and exceed those expectations. In short, we should understand what they hired us to do.

In addition, a market-focused organization is one that filters company decisions through the lens of the customer experience. Employ-

ees must ask at every decision point: How will this impact the experience that our customers will derive from the related product, service, or contact?

Market-focused organizations also ensure that structures, processes, targets, and rewards and recognition systems are built with the end in mind. The goal is to make sure customers feel represented in our organizational structure understand how a particular process adds to the value of our products or services, and see that our goals align with customers' goals.

As we move ahead with delivering superior customer experiences around the world, I look forward to working together to build a strong market-focused culture so that we remain winners in the marketplace. Superior customer experiences earn loyalty that will help cement our good reputation for at least another 162 years. ■

ASK THE DOCTOR Dr. James Q. Del Rosso, DO, FAOCD



Dr. Del Rosso is a clinical associate professor of Dermatology at the University of Nevada School of Medicine in Las Vegas and Touro University College of Osteopathic Medicine in Henderson, Nevada. He is also the director of the Dermatology Residency Program at Valley Hospital Medical Center and is in private practice at Las Vegas Skin & Cancer Clinics. He is president of the American Acne & Rosacea Society, editor-in-chief of the Journal of Clinical and Aesthetic Dermatology and annual guest editor of the Acne & Rosacea issue of the Journal of Drugs in Dermatology. Dr. Del Rosso is routinely an invited speaker, researcher, and author on dermatology topics such as acne, rosacea, actinic keratosis, atopic eczema, cutaneous bacterial infections, and fungal infections.

What constitutes superior customer service?

As a physician, there are three key elements of service that make or break my experience with a company—product quality, research quality, and staff quality. I need to know that the product I prescribe is effective and safe, supported by solid research, and backed by a quality team that will respond promptly to inquiries from me or my patients.

As an investigator, consultant, or speaker, I would define customer experience a bit dif-

ferently. First, and foremost, the people I work with must be trustworthy. If you say you are going to do something, do it! Beyond that, excellent service comes through timeliness, objective consideration of my input, and a genuine respect for my role as a dermatologist.

For the patients, product quality, cost, and customer support are key factors. Consumers need to trust that their dollar is spent most effectively, especially in today's economy. They want a product that works and is fairly priced. And, when they have

product questions or problems, patients want a prompt response.

Essentially, superior customer experiences are driven by the integrity, responsiveness, and scientific rigor of a company. Ultimately, the innate qualities of superior customer service reflect the inherent fabric of the employees of that company. Every person with whom I, or my patients, interact with from a company represents at that moment the perception of that entire company. The bottom line is that customer service is an attitude, not a department. ■

TOTAL REWARDS



Measuring Success in FY10 and Beyond

Now is an important time of year. Employees have conducted performance reviews for FY09 and are now focused on the future by setting goals and objectives and aligning them to corporate strategies (see Page 10) for FY10.

The Performance Review and Planning process has evolved since its launch in FY08, and FY10 will bring with it introductions to process enhancements, which will make it easier for people managers to develop and evaluate direct reports and help the organization differentiate performance more objectively.

Enhancements came as a result of feedback from employees and research of best practices amongst other companies. The improved process moving forward incorporates tools that help managers better assess performance, implements one overall performance rating, provides greater consistency in performance rating across the organization, creates a link between performance and compensation, and institutes a consistent and annual process for review and approval.

Reviewing performance isn't solely the job of the employee or the manager; it is a team

effort. Now, employees and managers can work together to balance objectives and prioritize workloads by assigning goal weights to each Management by Objective (MBO). As part of the Performance Review assessment, managers will also have the tools to calculate one overall rating for performance.

Performance Review enhancements show Stiefel's commitment to a culture of excellence. The goal of the Performance Review process is to encourage employees to work to achieve the best results while executing the right objectives using successful behaviors.

Employees can contact their manager or local Human Resources representative with additional questions or concerns. Updates are sent via the Total Rewards e-mail box with key information on the Performance Review and Total Rewards processes.

Forms for FY10 are on the NAVIGATOR in multiple languages. To access the forms, go to <http://navigator.stiefel.com/> and select Employee Services from the blue bar at the top of the page. From there, click on Career in the left menu and select Performance Management. ■

Key dates to help employees close out FY09 and begin the FY10 goal setting process with their managers are as follows:

FY09—Performance Review and Compensation

Complete Performance Review Assessment March 1–April 30

WRITE: FY09 Performance Self-Assessment

DISCUSS* April–June

Discuss assessment of performance regarding MBOs and PPBs for prior fiscal year

Rate performance using people manager tools and determine rating

Submit rating and compensation recommendations for approval

Communicate final approved performance rating

Submit completed Performance Review form to Human Resources

**Discuss may be one or two conversations.*

FY10—Goal Setting and Development Planning

FY10 Futures Plan cascaded through function leaders April

PLAN April 1–June 30

Draft FY10 MBOs and assign weighting

Draft FY10 job and career development plan

Submit and discuss FY10 objectives and job and career development plan with manager

Effective date of salary increase July 1



Total Rewards



Learning Initiatives at Stiefel Take Hold

Global Learning & Development (L&D) is taking a look back at what was accomplished in employee development in FY09 and mapping the course for FY10. It is important to continue to build on the culture and foundation that already exists throughout Stiefel. This is done through the development of learning initiatives to support the global structure and by leveraging opportunities to provide a variety of vehicles for employee growth.

Here are some of the highlights from FY09.

Learning Council: The Learning Council proved to be a productive channel for generating ideas, sharing best practices, and providing updates about learning in the global organization.

ExecuTrain: Microsoft® Office and Lotus Notes® training was provided through ExecuTrain creating the first globally accessible on-line program available to Stiefel employees. More than 175 employees took advantage of this opportunity.

Executive Presence: Two Executive Presence programs were offered in FY09: Bronze Executive Presence, a platform skills course, and Silver Executive Presence, which focused on facilitative leadership skills.

"I feel I received good tools to make effective and impactful presentations."

Anonymous survey respondent

Executive Coaching and Leadership Development:

A two-day workshop on Executive Coaching and Leadership Development was rolled out to executives throughout the global organization.

360 Development Tool: The 360 Development Tool was launched in FY09, and nearly 80 executives participated and received one-on-one follow-up coaching sessions.

Coaching for Performance: Stiefel managers in Atlanta had an opportunity to participate in a pilot program for Session 2 of the People Manager Program: Coaching for Performance, which is an accompaniment to the Performance Review (writers) course.

"This course provides actual steps that aid managers in having direct dialogue with their employees that ultimately impact the performance management tool."

Anonymous survey respondent

Peak Performance Review Process Training:

Nearly all Stiefel employees participated in Performance Review Process training. To achieve this milestone, training was conducted via classroom, WebEx, and one-on-one sessions.

PLANS FOR THE FUTURE

As highlighted in the Employee Engagement Survey, opportunities to learn and grow are critical components of employee engagement. The goal for this year is to provide enterprise-wide offerings targeted for people managers and employees who have a desire to grow as leaders within the organization. Stiefel will also increase employee accessibility of these offerings through the NAVIGATOR, Web-based seminars, and Brainspark.

People Manager Programs: The people manager offerings are segmented in to two categories: Core curriculum and elective learning and resources. The core curriculum will focus on people management essentials and managing-for-results topics. The elective learning and resources section will include topics such as: Budgeting, finance for the non-financial professional, communication skills, and leadership.

All Employee Programs: These all employee offerings are segmented in to two categories: Teach It or Learn It and Tips & Tools, which will provide employees with the tools to navigate their own development. The Teach It programs are facilitator's guides that provide leaders with the tools necessary to lead training programs for their teams. The Learn It programs will be self-paced or on-line and employees can take them at their own pace.

The **Tips & Tools** section provides quick educational content on a variety of topics such as: Communications, leadership, book reviews, and customer service. Other resources will also be available such as team-building activities, meeting energizers, and icebreakers.

Online Technical Training: Stiefel continues to seek a global solution for providing on-line training for Microsoft Office products and Lotus Notes. The new Computer Center in the Northmont building in Atlanta will be supplied with a technical references section that will include manuals, reference cards, and other resources for technical understanding.

360 Development Tool: The 360 Development Tool will be distributed on an as needed basis to intact teams. This tool will allow managers to obtain feedback from leaders, peers, customers, and direct reports.

Learning & Development will continue to find global solutions for learning in FY10. Information about training opportunities, tools, and a calendar highlighting events can be found on the Stiefel NAVIGATOR <http://navigator.stiefel.com/> under Employee Services/Career. If you have feedback and suggestions, contact Learning & Development at learning.development@stiefel.com. ■



Celebrating Success

Stiefel's 2008 Chairman's Award winners were recognized at an awards ceremony hosted by Charlie and Daneen Stiefel in October. Each winner was presented with an engraved crystal award during a dinner held at the Stiefels' Coral Gables home.

Company leaders kicked off the celebration early in the day by discussing current business issues. The evening concluded with an honorary celebration dinner at which Charlie recognized each winner for their impact on the business and continued leadership at Stiefel.

The 2008 Chairman's Award Winners are pictured below and are (L to R) Klemens Siebenbrock, general manager, Stiefel Germany; André Seguin, Finance manager, Stiefel Canada; José Genesi, director, Legal Affairs, Brazil; Charles Stiefel, chairman and CEO; Daiane Trombini, director, Portfolio Planning; Robert Cochór, general manager, Stiefel Poland; Randy Hayward, senior director, Quality Assurance



DID YOU know?

Colleagues in the UK have a new address and a new look. Congratulations to Stiefel's Eurasia team for successfully transferring their regional headquarters (EHQ) at the end of 2008.

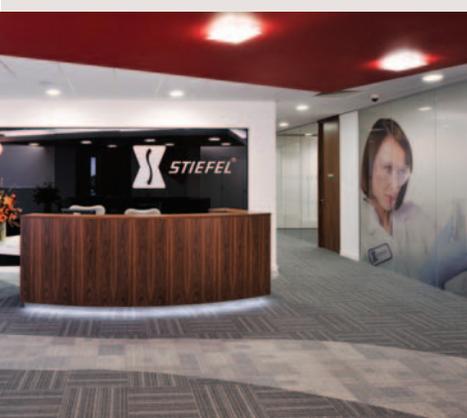
Fantastic **teamwork and alignment** was shown from all employees, specifically from IT and Facilities who made sure that all equipment was tested and ready for employees to startup successfully.

The address for the new building and the two legal entities is:

Stiefel Laboratories (UK) Ltd
Stiefel Laboratories (Maidenhead) Ltd

Eurasia Headquarters
 Concorde Road
 Maidenhead
 Berks
 SL6 4BY

If you have any questions about the new EHQ please contact Liz Woodfield.



Pictures of the new Eurasia headquarters in the UK.

PPB SPOTLIGHT Examples of Stiefel Stewardship



STEWARD: Kevin Crawford
 Manager
 Clinical Operations
 Research Triangle Park, North Carolina
APPROXIMATE SAVINGS: \$20,000

SIMPLE ACT OF STEWARDSHIP: Instead of purchasing binders, filling them with copies, and shipping them to an investigator's meeting in Denver, Colorado, Kevin came up with the idea to save the files on USB sticks that were given to the participants. Not only was his idea cutting edge, but it also saved the company money and time.

BOTTOM LINE: Kevin stated, "A mentor once said to me, 'All action equals cost.'" In this scenario, the team was able to save valuable time and resources by capitalizing on a current technology that has fast become a ubiquitous part of business. Although the idea of using USB sticks for this purpose was new to Stiefel, the approach was successful due to the team **fostering innovation** and embracing of a different approach.

PIECE OF ADVICE: "Don't be afraid of sharing new ideas. We should ask ourselves daily if the manner in which we are operating is the best means to achieve the deliverable. Furthermore, don't be afraid to consider other people's ideas. Bringing new ideas to the table takes nerve, and open communication should be encouraged. Simply saying, 'this is the way we've always done things' is shortsighted and leads to stagnation of innovation," explained Kevin.



STEWARD: Kurt Franke
 Production Specialist
 Environmental Health and Safety
 Oak Hill, New York
APPROXIMATE SAVINGS: \$39,500/yr

SIMPLE ACT OF STEWARDSHIP: In December 2007, Oak Hill started the "Green Team"—a group of employees at the facility assigned to find cost savings through environmentally friendly approaches to numerous issues. Waste disposal of hazardous and non-hazardous materials quickly became an area of concern. After some investigation, Kurt located a company that paid Stiefel for paper and cardboard products, as well as for transport and rental of a collection unit, contrary to Stiefel paying the current hauler to take away the recyclable materials. The new company reuses the processed cardboard for their "blow-in" insulation product. An indirect savings from this arrangement came from the reduced time required to load cardboard in a compactor and from using a centralized collection point.

BOTTOM LINE: "We recognized that our trash disposal and recycle containers were considered very expensive," Kurt said. "With team consensus, support from local management, and a dedicated person to own the project, it turned out to be a great success and sparked other opportunities to save costs."

PIECE OF ADVICE: "If you have an idea for Stewardship, don't let it go. Stick with it. Find the person in management who can give you the support and sell it," said Kurt.

Social Responsibility Initiative Stiefel Peru

Stiefel employees in LATAC are conscious of the unfortunate situation many families in Peru face due to the economy. As a result, Stiefel Peru began to pioneer Social Responsibility Initiatives.

This was done not only with the purpose of helping those that need it the most, but also to bring employees together as a team **promoting alignment**, while supporting and helping good causes, and **acting as company stewards**.

Stiefel Peru was instrumental in helping Niño Luz NGO (www.ninoluz.org), a non-profit organization in Lima, Peru, gather donations for their holiday campaign to put together a day care and soup kitchen for the community, 30 de Mayo, in Lima. The organization is focused on promoting the advancement of cultural and academic educa-



Children involved in the NGO pre-school program in Lima, Peru.

tion of impoverished communities to help improve quality of life.

Stiefel employees took presents for the children enrolled in the NGO's pre-school program. Some employees offered donations and enjoyed Peruvian dances performed by the children. The campaign was a success and Stiefel Peru hopes to continue with these types of initiatives in the future. ■

STIEFEL STORY Dick MacKay Paves the Way for the CDF

Stiefel Story is an opportunity for employees to recognize individuals or teams of individuals who show 1) extraordinary accomplishments in their work, 2) extraordinary demonstrations of Peak Performance Behaviors, and/or 3) extraordinary contributions to the community.

*In this edition, Richard (Dick) MacKay, president, Stiefel Canada and vice chairman of Stiefel's Board of Directors, is being featured for his continuous efforts to **act as a leader** and **focus on customers** through his many years of dedication to the Canadian Dermatology Foundation (CDF), a charitable organization dedicated to raising funds for dermatological research.*

Stiefel Canada's role as a supporter of the Canadian Dermatology Foundation (CDF) goes back more than 25 years, to 1981, when MacKay was approached by CDF president, Dr. Stuart Maddin, to take on a consulting role with a view to gaining industry support for the Foundation. MacKay arranged meetings in key centers, such as Montreal and Toronto, for Dr. Maddin to meet with pharmaceutical industry leaders. Due to MacKay's success in developing industry relationships, he was the first layperson to become a director and has been an active member of the Board since his election in the late 1980s. Thus, the seeds of the CDF Corporate Campaign were planted and established Stiefel Canada's long tradition of giving back to dermatology.

The first research grant awarded by the CDF was for \$368 in 1970, with modest increases in the next few years. Once MacKay assumed responsibility for the Corporate Campaign, the dollar contributions grew significantly, and by 1991 the capital fund had reached \$1 million.

MacKay realized that if the CDF was to have a meaningful impact on advancing dermatological research, growing the capital fund was a priority. In 1993, together with newly elected CDF president, Colin Ramsay, MacKay formed a committee to develop strategies to raise funds for the CDF. A company with expertise in fund-

raising was hired and a strategy was developed to appeal to dermatologists that supported their specialty.

While MacKay was always involved in the physician campaign, his main focus has been at the corporate level, devoting a great deal of time to industry relations. MacKay gives credit for success of the physician campaign to the many hours of service and support, as well as **teamwork and alignment**, by many of Stiefel's employees over the years.



MacKay says, "My staff and I have been well rewarded by seeing the success of the CDF and

the research that is being carried out. Dermatology departments have been adding new resident positions. Young dermatologists have more opportunities open to them than ever before. Plus, the close relationships developed between dermatologists and the industry have been invaluable."

Thanks to the vision and extraordinary leadership efforts of MacKay, the CDF has grown into a vibrant organization continually adding members who are highly visible and active in their field. The Foundation is now the largest non-government source of funding for dermatological research and is highly respected by the scientific community.

For more information on the Canadian Dermatology Foundation, please visit www.cdf.ca. ■

PRODUCT SHOWCASE Beyond Sun Protection



While the sun brings life and energy, it also brings consequences to your skin. The World Health Organization estimates that over 65 thousand people die each year from sun-related diseases (mostly melanoma), and in most countries skin cancer is one of the top three most prevalent cancers. Ultraviolet (UV) radiation (UVA and UVB) from the sun has also been identified as the main source of premature aging. In addition, UV radiation has been shown to negatively affect the skin's natural immune system.

Through partnership with dermatologists around the world, Stiefel employees understand that the market requires an exclusive product that can offer benefits beyond sun protection. The global sun care market is an extremely attractive market—showing a 4.1 percent growth in 2007 to over \$4.7 billion—as consumers become more aware of the harmful effects of UV radiation.

In September 2007, Stiefel Brazil proudly became the first country to launch AnSolar®: a new concept in sun protection. The entire AnSolar brand family is built on three pillars: excellent broad spectrum protection, anti-photoaging benefits beyond sun protection with Complex S3 (Stiefel Sun System) Stiefel's exclusive and revolutionary anti-photoaging system, and a best-in-class cosmetic profile.

By the second quarter of FY10, AnSolar will be available in all LATAC countries in the following presentations: AnSolar Daily Use Gel-Cream (30SPF), AnSolar Lotion (60 SPF), AnSolar Fluid (70 SPF), and AnSolar Sport (65 SPF). In addition, AnSolar Daily Use Gel-Cream (30 SPF) is already available in an innovative 2.5g Pearl-Capsule that is the FDA recommended amount to properly protect the average person's face and neck. Most of these formulations will be available globally by FY11.

Because this product offers what dermatologists and consumers are demanding in a global market, AnSolar is sure to become an important component of our global sun protection franchise for Stiefel in the coming years. ■

WorkLife and the Brand

WorkLife has entered into the realm of the new corporate brand. The brand that was developed to allow Stiefel to speak with one common voice to the outside world, is now being implemented internally.

“How we communicate with our customers and internally has a dramatic impact on the perception of our company,” said Erin Bacher, associate director, Global Public Relations. “WorkLife, along with the NAVIGATOR, not only support our brand and position in the marketplace, but they work to keep our employees abreast of what is going on in the organization, allowing each employee around the world the opportunity to become a brand steward.”

In addition, the WorkLife editorial team will reduce the number of issues published per year (will now only publish in May and October) in order to take full advantage of the Stiefel NAVIGATOR. The NAVIGATOR provides employees with a more immediate means of communication and leverages electronic media to support globally relevant articles on a regular basis.

WorkLife and NAVIGATOR will work together to serve as information resources to celebrate what employees—collectively and as individuals—contribute to Stiefel’s shared success. Continue to submit stories, ideas, and successes to both the WorkLife editorial team and the Stiefel NAVIGATOR. WorkLife can be found on the NAVIGATOR under Important Links. Visit <http://navigator.stiefel.com> to download recent copies of the news magazine. ■

The Stiefel Way Sets Foundation for Behaviors

By Todd Stiefel, Chief Strategy Officer



What’s the connection between The Stiefel Way—our new Mission, Vision, and Values—and our everyday behaviors and decisions? In this, the second of two articles, Todd Stiefel explains how The Stiefel Way relates to the Peak Performance Behaviors (PPBs), and how our commitments support these principles.

All across the globe, The Stiefel Way is taking hold. Our new Mission, Vision, and Values are displayed in our building lobbies, on our Stiefel Web sites, in employees’ workstations, and are discussed as part of numerous meetings throughout the company.

How can you reflect The Stiefel Way in your everyday decisions and behaviors through the PPBs? Where do the three new commitments fit in among these principles of our organization?

Taking the latter first, here are the commitments:

- **Our Commitment to Customers:** We provide a unique passion for understanding and advancing skin science, leveraging our unparalleled heritage and commitment to dermatology. Our high-quality products make people’s skin healthier and help people feel more confident about their appearance.
- **Our Commitment to Employees:** We provide a challenging, enjoyable, and rewarding work experience that inspires all Stiefel employees to be passionate about serving our customers, living our Values, and advancing skin health worldwide.
- **Our Commitment to Society:** We are dedicated to supporting the field of dermatology and our local and global communities.

These are our obligations to the people we serve inside and outside Stiefel, and they support the Mission, Vision, and Values that make up The Stiefel Way. They represent the duties and responsibilities each of us should uphold in our particular roles within the business.

In relation to the PPBs, The Stiefel Way encompasses the ideologies and ethics behind the

behaviors that we demonstrate in our daily work. The Values, in particular, should serve as guidance for making decisions. You can refer to them repeatedly and reflect on them as you make choices and take actions that impact stewardship, leadership, our focus on customers, innovation, accountability, teamwork and alignment—the key elements of the PPBs.

I believe The Stiefel Way declares the purposes and the attributes for our business and our roles within it. I also believe that if you reflect the Peak Performance Behaviors and The Stiefel Way in all you do, we will have continued success in improving human life worldwide. ■



The Stiefel Way posters are available in 11 languages for reference and convenient display in your workspace. They can be downloaded from the Stiefel NAVIGATOR <http://navigator.stiefel.com>.

Where is Blue Fusion? Virtually Everywhere!

Now that scheduled deployments are complete, where is Blue Fusion?

Blue Fusion is all around Stiefel, and the energy that it has created in transforming the business is powerful. More than 1,200 employees, hundreds of business processes, and dozens of systems or technologies became one because of Blue Fusion and SAP, which were deployed in Canada, Mexico, the United States, and Brazil during 2008. The new SAP system and processes unite functions across four subsidiaries in 10 locations—this impacts Stiefel globally because the company's headquarters and many of its business operations are in the Americas.

Operations across the Americas are now consolidated into major processes: Order to Cash, Requisition to Pay, Plan to Produce, and Finance. The SAP system has real-time data and allows for information sharing across the organization. Managers and others across the business are retrieving the data in a new way, through SAP standard reports and queries, and this has dramatically increased visibility among functions.

"SAP end users may have felt the heat of the fusion as they incurred a complete overhaul of the way they did business. But it was the users who brought the future to Stiefel. Their ability to adapt has resulted in a strong and united infrastructure. They will generate even more energy for the Stiefel organization as they assertively take part in building on this strong foundation, resulting in future collaborative growth."

—Meredith Bilow,
associate director, Organizational Development,
and a former Blue Fusion team lead

"The effects of Blue Fusion are far-reaching, and we will be realizing the transformation to our business for years to come," said Todd Stiefel, chief strategy officer. "Blue Fusion's true impact in terms of the operational and financial benefits are still ahead of us. I believe its full value will grow significantly, especially as Stiefel adjusts to the many changes of the global marketplace and economy."

From the beginning, Blue Fusion had a powerful meaning for our company; Blue is the distinguishing color of Stiefel, and fusion is the merging of different elements into one union. Blue Fusion had two main goals:

- **Redesign business processes**, which included designing for simplicity, taking prompt action in overcoming problems, participation of the right people, and assignment of clear responsibilities.
- **Implement an Enterprise Resource Planning (ERP) system**, which included providing a single system for all parts of the business, information sharing across the organization, visibility among functions, and reducing/eliminating manual efforts.

Those goals have been met thanks to hundreds of Stiefel leaders and team members who **fostered innovation** and helped define SAP roles and responsibilities, mapped specific employees to respective operational roles, designed, reviewed and confirmed the new processes; prepared employees and sites for deployment, and who implemented and supported Blue Fusion across the Americas.

"Blue Fusion has been a key Futures objective because it represents Stiefel's business transformation project unifying people, processes, and technology to build an infrastructure for future collaborative growth," said Meredith Bilow.

The operational infrastructure for Stiefel Americas has been fused. ■

DID YOU know?

The first ever **Global Environmental Health and Safety (EH&S) Summit** was held at Stiefel's Oak Hill facility last year. Stiefel EH&S managers from around the world gathered to collaborate on new corporate occupational safety policy, train, compare best practices, and develop plans for FY10.

Training sessions and demonstrations were held by Stiefel EH&S professionals including Oak Hill's safety committee, site EH&S leads, and vendors such as Arkema, A1-SafeTech, and FM Global. Sessions focused on EH&S management system development, hazmat raw material safety, ergonomics, lockout tagout, machine safety, green initiatives, and pharmaceutical compound handling safety.

Special thanks to Oak Hill's hazmat emergency response team for conducting a live mock hazmat emergency response demonstration.

EH&S leaders throughout Stiefel are enthusiastic about continuing collaboration as they work to develop improved EH&S programs and foster the core values of safety and environmental stewardship throughout Stiefel.

DID YOU know?

In May 2009, Stiefel began the global roll-out of the company's **Anti-Corruption Program**. The principles set forth through this program help secure the integrity of the company. Stiefel's global anti-corruption program has been developed to provide assurance that all company activities, including the offering of

gifts, hospitality, or sponsorships to healthcare professionals are conducted in compliance with all applicable company policies, industry trade association requirements, and laws. Stiefel's anti-corruption policy states that no Stiefel employee supports, offers, makes, or provides a corrupt or improper payment, gift, benefit, or anything of value to further Stiefel business. Stiefel is committed to not only comply with the letter, but the spirit of anti-bribery laws. The laws include local and anti-bribery laws, the U.S. Foreign Corrupt Practices Act (FCPA), and those created by the Anti-Bribery Convention of the Organization for Economic Cooperation & Development (OECD).

To view a copy of Stiefel's global policy, go to the Ethics & Compliance page on the Stiefel NAVIGATOR.



Stiefel EH&S leaders on an evening hike in the Catskills (New York).

Stiefel's Corporate Strategies for FY10

PRIMARY OBJECTIVE

Become the top-ranked* dermatology company by our customers and grow profitably surpassing EBITDA* of \$265 million in FY13, while providing a superior customer experience by working as one, and fostering our culture.

STRATEGIES

Profitable Growth

We will achieve sustainable long-term revenue growth while managing costs, increasing corporate profitability and ensuring the ability to reinvest in the business. Value is created by enhancing our organizational capabilities to focus on the right operational activities while demonstrating strong company stewardship. The right activities are those that delight the customers that purchase, prescribe and recommend our products, leading to financial success.

Superior Customer Experience

We will serve our customers, addressing their desire for strong science, innovation, high-quality products and services and a valued connection with the company. It is critical to our overall success that we have the ability to identify and predict our customers' needs and delight them through our relationships, products and services.

Work as One

We will collaborate with each other to deliver a Superior Customer Experience through innovative thinking, improved processes, and outstanding execution. There are things we must excel in as a company by working together and staying focused, while leveraging our strengths and capabilities to delight our customers.

Foster our Culture

We will engage and empower top-performing people who reflect the values that embody our culture as demonstrated by our Peak Performance Behaviors. Our People and Culture are the foundation of our Strategic Plan. Driven by our core values, we enable the organization through our skills, capabilities and behaviors.

**Ranking measured by Net Promoter Score.*

**EBITDA is Earnings Before Interest, Taxes, Depreciation and Amortization.*

FUTURES

APAC Focuses on Customers

Contributed by Global Strategy

Amy Zheng and her APAC marketing team had a big job to do, persuade as many of the 1,130 dermatologists and other attendants of the 2008 Asian Dermatological Congress (ADC) to take an important customer loyalty survey offered by Net Promoter®.

In previous events, a survey participation rate of 10 to 20 percent would draw accolades. The goal for participation at the ADC was much higher because of the importance of the Net Promoter survey in developing planning and a baseline for customer loyalty and related operations.

In the end, the APAC team compiled a remarkable 84 percent participation rate, setting the stage for gaining valuable insights from customers to assist the Stiefel team.

"Our team believes that customer feedback and viewpoints will lead us to do the right things," said Zheng, business analyst manager in Singapore. "When we know more about the customer's expectations through this kind of information, then we are better able to **focus on our customers'** wants and needs and plan our marketing accordingly."

At the conference, the Stiefel team established some groundbreaking practices for future events. They had four survey stations in the Stiefel booth on the conference floor, and for the first time used touch-screen technology for taking the survey.

The Net Promoter survey asks customers whether they would recommend the company and its products to others. Its results are presented in a Net Promoter Score or NPS®—a simple and straightforward metric that allows for tracking customer loyalty over time and among, in this case, pharmaceutical firms.

"Generally, the more customers who take the survey, the better the results will be in terms of providing real insight as to their opinion of Stiefel and its products," said Martin Floreani, vice president, Global Strategy. "What the APAC team did at the conference was phenomenal in helping us learn more about our customers in that region. In the end, that certainly helps with fulfilling our strategy for providing a superior customer experience."

Team members who contributed to the ADC effort are: Angie Lim, who led the team at the conference, Young Jue Lee, Byoung Seo Choi, Young Pil Nam, Min Soo Kim, Jin Hee Sung, Hye Ryune Kim, Choong Gon Kim, Raymond Ong, Kee Woon Bong, Yoo Yuen, Juliet Loh, Lin Shumin, Caly Ong, Pornwilai Taesukawat, Feada Sun, Isabel Reyes, Daniel Trihandoyo, Dr. Bernadette Arcilla, Dr. Rashmi Wighe, Dr. Mubarak Ahmed, Dr. Roberto Pascual, Dr. Mercedes Florez-White, Dr. Hans-Walter Reinhardt, Mahmood Tahir, Tom Huang, Taig Jong Nam, Su Young Lee, and a dedicated sales team from Korea. ■



Members of the APAC marketing team performed above and beyond at the 2008 Asian Dermatological Congress where they persuaded hundreds of dermatologists to take an important customer loyalty survey at Stiefel's booths.

LOCAL PROFILE Stiefel Canada



Stiefel Canada, Inc. (SCI) is the leading dermatology company in Canada, and has been for many years, enjoying a major share in most segments of the skin care market.

The company philosophy has always been to aim for the highest standards in all aspects of the business—providing excellent products, reliable technical support, and, most importantly, service. Strong personal relationships at all levels are key for a specialized company such as SCI.

A good example of this is the relationship that Richard (Dick) MacKay, president of Stiefel Canada and vice chairman of Stiefel's Board of Directors, had with Canadian dermatologist Dr. Bill Pace, a pioneer in the development of benzoyl peroxide as an acne treatment. Stiefel was the first to commercialize this product, which proved to be a great success and was the major dermatological prescription for well over a decade.

The Stiefel product line was available under license in Canada in the early 1970s, but it was only after MacKay established SCI in 1976 that the sound business strategies and practices he put in place set the company on a path of continuous growth to becoming the market leader in Canada.

Canada represents approximately two percent of the world population; however, SCI contributes a five percent share of the company's global sales. "Operating in a country the size of Canada represents a real challenge, and our record high sales

per capita of population is a tribute to the **teamwork and alignment** of our sales and marketing team," says executive vice president of Stiefel Canada, Pierre Boucher. "Particularly, we are seeing results from a systematic approach of targeting all dermatologists and high-prescribing primary care physicians across Canada."

As Stiefel Laboratories invested in product research and development over the years, Canada benefited from the resulting cutting-edge products.

SCI is especially proud to have been selected as one of the bases for preparing international campaigns. "Not only does it highlight the talent of our marketing team, but it also speaks well of the excellent caliber of creativity available in Canada," says Boucher. "We are delighted to share in the global success of this Stiefel innovation."

Company personnel actively participate in business and professional associations locally and across the country, which is part of the relationship building process and **focusing on customers** viewed by SCI as essential to business excellence. The company has well-established partnership programs in education and research with dermatologists, locally and nationally.

This year SCI will partner with the Canadian Dermatology Association—the professional organization for dermatologists—in sponsoring a new initiative called Camp Liberté. Camp Liberté is a summer camp where young patients with severe dermatological

conditions can enjoy some time to be themselves amongst their peers.

The Canadian headquarters is located in the city of Saint-Laurent, just 22 km from downtown Montreal and minutes from the international airport. Now consisting of 64,000 square feet of office space and warehousing, the building has been expanded several times since Stiefel first occupied it in 1976. The expansions came as a result of the rapid growth of inventory as the company acquired market share.

The original payroll of 14 has now grown to 100 employees, comprising office staff, ethical dermatological, aesthetic sales personnel, and retail specialists.

Being part of a global corporation is a stimulating experience that offers new opportunities and challenges. However, this does not alter the basic approach to business, which remains anchored in the credo of August Stiefel, "Choose what you want to do, and do it well." SCI's focus is on being the best in dermatology and credits its employees for helping make this happen. ■

Employees Prove Key to Business Success

What makes SCI unique is the people. They are a key component of SCI's success, which can be attributed to:

- Building a family culture
- Stability and longevity of employees
- A team approach and openness to communication
- A commitment to being the best in dermatology
- A strong relationship with customers

SCI's mission statement for employees is:

To inspire them to passionately serve our customers; to champion innovation; to live our Values of respect; to commit to working together as one team toward the undisputed leadership in dermatology.

STREET BEAT What do you love most about Stiefel Laboratories?



How do I love thee? Let me count the ways . . .

I love thee because you provide utmost care for the skin, focusing on total wellness and beauty of well being.

I love thee because you strive to be the best, creating quality products with so much zest!

I love thee because you have passionate people, always enthusiastic to work for Stiefel.

I love thee because you treasure people like family, rewarding each one consistently!



Rocío Turcott Perez, Sales Representative, MEXICO, Years of Service: 4. Stiefel Laboratories has made me grow and face new challenges. I like the change we have had because we now have a strategic approach that orients us. I appreciate the support we receive through constant feedback with the help of technology.

I love the confidence I have in the high-quality products I promote! This is because doctors recognize Stiefel as a respectful company with high quality and excellence in research and constant innovation. I like Stiefel because I am part of this great organization. I enjoy my job because of the enormous support from the company. This allows me to maintain a positive attitude.



Brendalyn Mitchem, Shared Services Specialist, ATLANTA, Years of Service: 2. What I love most about working for Stiefel is that there is an opportunity for growth, and the managers who have been

put into place here at Stiefel are very supportive of your future growth.

Dervilla Beirne, Compliance Specialist, LUGO, Years of Service: 1. The people—no matter who I turn to—offer great help and advice and they do so with endless patience. The wealth of knowledge that Stiefel colleagues have is readily shared.

Raymond Lee, Product Manager, HONG KONG, Years of Service: 2. I love the learning atmosphere. I love to interact with colleagues from other countries at the APAC marketing forum and the leadership program. Continuous learning at Stiefel is a joy and an asset for me.



Peggy Paterniti, Human Resources Employment Coordinator, OAK HILL, Years of Service: 8. I have always enjoyed Human Resources work, but really love the interaction I have with all the employees here in

Oak Hill and the HR groups in all the facilities. I always appreciate the smile and “thank you” when I help someone out. Of course, giving bad news is never fun, but it is part of the job. Also, I have made some wonderful and long lasting friendships.



Sally Huang, Associate RA Executive, SINGAPORE, Years of Service: 1. I love the new challenges and the eye-opening exposure that I am able to experience at Stiefel. Being so different from my previous

civil service job, my working life is now filled with lots of satisfaction and excitement! Cheers to this exciting job of mine!



Curtis Chapman, Sales Director, SYDNEY, Years of Service: 2. I like the interaction with the great team we have here in Sydney, Australia. We all help each other. Our Open Door policy allows employees to communicate with anyone and everyone in an informal manner. It is an environment of no blame, which lends itself to a “safe” environment in which to work. Whilst there are many challenges, there is a culture of working hard, yet having a lot of fun. . . . I enjoy coming to work on Mondays.

Rean Niosco, IT Assistant, PHILIPPINES, Years of Service: 3. Stiefel is a company that builds relationships, creates trust, and renders excellent products and services. Stiefel is consistent on its objectives and core values.

For the upcoming issue of *WorkLife*

How do you find ways in your day-to-day activities at Stiefel to ensure you do all that you can to focus on the customer?

Send your response to this question by visiting the Stiefel NAVIGATOR's WorkLife newsletter page under Employee Services/Important Links. Submit your response and it will be featured in the next issue of WorkLife.

