The user experience
How to transform mobility services through a user experience lens
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Agenda

- Introduction to the McKesson program
- The focus on user experience – why and how it began
- How did it go?
- Where is it going?
Who is McKesson?

McKesson Corporation

- Founded in 1833
- Ranked 11 on Fortune 500
- Two Business Segments: Distribution Solutions and Technology Solutions
- #1 Pharmaceutical Distribution Company in the US and Canada
- Acquired Celesio/Germany in April 2014
- 76,000 Employees
- Headquartered in San Francisco
- Located in 20 Countries

FY15 Results

<table>
<thead>
<tr>
<th>Revenues</th>
<th>McKesson Distribution Solutions</th>
<th>McKesson Technology Solutions</th>
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<td>$176 billion</td>
<td>$179 billion</td>
<td>$2.9 billion</td>
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Getting to know McKesson

- Organizational mindset – a domestic organization that became global through acquisition
- Domestic mobility program with approximately 250 moves annually
- Global mobility program with approximately 30 moves annually
- Assignment types:
  - Domestic – homeowners/lump-sum renters/rotational program
  - Global – short-term/long-term, permanent movers, acquired assignees, executive business travelers
- Organizationally, mobility sits within the HR shared service organization
- Key internal stakeholders:
  - Business lines
  - Corporate tax
  - Payroll
  - Executive compensation
  - Accounting
  - Legal
- What is the strategic function of mobility within the organization?
Why the focus on user experience and how did it begin?

Mobility challenges resulting in poor user experience

- Decentralized
- No technology platform
- Too many contacts
- Inconsistent Policies
- Missing processes and standardization
- Unawareness of interdependencies with other processes
- Limited intra-departmental communication
- Meeting differing expectations
- Unclear definition of scope/responsibility of mobility function

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Solving the user experience dilemma

► Objectives/timeline
► What was the approach? Who drove it?
  ► Internal education/building a network
  ► Adjustments to vendor services
  ► Development/documentation of policies and processes
► Anticipated obstacles
► How was success defined? How was it measured?
Key Focus areas of improvement

**Strategic Direction**
Aligning activities to the business strategy and objectives for the assignments

**Framework and Policy**
Establish and document policy framework and specific guidelines to ensure consistency of employee experience

**Staffing and Teaming**
Identifying the skills and expertise required internally to manage the global assignment program

**Vendor Alignment**
Reviewing and establishing partnerships that provide a seamless employee experience
Key improvement initiatives

**Strategic Direction**
- Clarify assignment objectives in policies
- Restructure service delivery model (SPC and tri-regional delivery model)
- Improve user experience by reducing contacts

**Framework and Policy**
- Create joint Celesio/McK policy framework
- New EBT policy and compliance program
- Add new compliance services (compensation coordination/reporting)

**Staffing and Teaming**
- Hire GM Project manager in US to align stakeholders and manage transitions
- Hire GM manager in Europe to facilitate operations

**Vendor Alignment**
- Select and transition to the right partners (EY/Tax and RMC/relocation)
- Raise awareness and train involved parties on intra-departmental interdependencies

**Operational Excellence**
<table>
<thead>
<tr>
<th>Task Description</th>
<th>March</th>
<th>April</th>
<th>May</th>
<th>June</th>
<th>July</th>
<th>August</th>
<th>September</th>
<th>October</th>
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<tbody>
<tr>
<td><strong>EY Expat Tax Services</strong></td>
<td><strong>Tax returns/equalizations. Initiation, payment, communication processes. Transfer from former provider</strong></td>
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<td><strong>EY Global Compensation Coordination</strong></td>
<td><strong>Compensation collection at source, gross up and hypo tax calculations, reporting to global payrolls</strong></td>
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<td><strong>EY Business Travel Immigration</strong></td>
<td><strong>Implementation of self assessment tool for international business travelers</strong></td>
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<td><strong>EY Travel Risk Assessment, Compliance</strong></td>
<td><strong>Tracking of business travel activities for individual tax, social tax and corporate tax exposure</strong></td>
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<td><strong>Immigration Service Requests</strong></td>
<td><strong>Adding immigration service to HRSC platform with direct engagement of Ogletree for US local hires and expats</strong></td>
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<td><strong>Immigration Operational improvements</strong></td>
<td><strong>Shift of vendor mgmt, Budgeting/Accrual, Client Alerts, Satisfaction Survey, Data quality, forms review etc.</strong></td>
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<td><strong>New RMC</strong></td>
<td><strong>RFP process with implementation of new Relocation Management Company, operating in single point of care model</strong></td>
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<td><strong>Global Policy</strong></td>
<td><strong>Implementation of joint McKesson/Celesio policy framework. Frequent business traveler, short/long term assignment, permanent transfers, rotationals</strong></td>
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<td><strong>Alignment and Communication</strong></td>
<td><strong>Educate and align key internal stakeholders</strong></td>
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<td><strong>Staffing</strong></td>
<td><strong>Hire Global Mobility project manager to support volume and complexities</strong></td>
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How did it go?

► What were the unexpected challenges?
  ► Lack of internal processes/alternatives
  ► Transaction-related challenges

► Successes – expected and unexpected?

► Key learnings:
  ► Redefinition of working with vendors
  ► Redefinition of working with internal stakeholders
  ► Measurement of successes/return on investment (ROI)
Where is it going?

► Continued areas of focus
  ► What are the key program areas of focus/strategy now and ahead? How does user experience fit into key focus areas?
  ► What are the expectations from leadership?
  ► How do you measure success going forward?