

**CASE STUDY**

# HENRY SCHEIN

Henry Schein Uses Training to Emphasize 3 C's



## COMPANY PROFILE



2019 REVENUE: \$10 BILLION

SECTOR: MEDICAL DEVICES AND SERVICES

SIZE: 19,000+ EMPLOYEES

HEADQUARTERS: MELVILLE, N.Y.

FOUNDED: 1932

CHAIRMAN AND CEO: STANLEY M. BERGMAN

## THE ISSUE

Medical devices and services company Henry Schein, Inc. was looking for better global scalability and business unit reporting, and looked to its ethics and compliance training program for help.

The company wanted broad course selection and fresh content; the ability to vary the length of training pieces; new courses to respond to emerging laws and regulations; the ability to customize courses on-demand; and insights to continue to improve training effectiveness.

Partnering with LRN, Henry Schein was able to develop and improve its training, training outreach, and training communications to employees and other stakeholders. LRN helped the company figure out a strategy, and then leverage technology to bring its training to life.

## BRINGING THE 3 C's TO LIFE



### COMMUNICATE



### COLLABORATE



### CONTINUOUSLY IMPROVE

*“Our LRN training program is still relatively new, but I believe engagement levels have been doing well, including for optional courses.”*

— **NANCY LANIS**,  
CHIEF ETHICS &  
COMPLIANCE OFFICER

Training also is used to reinforce Henry Schein’s motto: “Communicate, Collaborate, Continuously Improve: Be an Integrity Partner,” otherwise known as the “3 C’s,” which serve as a foundation of the company’s culture, and set expectations for employees and business partners.

“The 3 C’s means communicating effectively with the right stakeholders, at the right time, in the right way,” said Lanis, and being able to listen and understand the goals and concerns of business units, and looking for ways to meet them. It means explaining clearly when that can’t be done, and why, then brainstorming new ideas.

The ethics and compliance team holds itself to these standards in all interactions with clients, and Henry Schein selects its Integrity Partner Award recipients based on their going the extra distance to partner in these ways with the compliance team.

“We believe it is essential to listen carefully to our client’s aims and concerns in order to most effectively collaborate with them to find the best compliant solutions, and to operationalize compliance,” said Lanis.

The company continually messages the importance of ethics and compliance through various user-friendly communications, including newsletters, management meetings, compliance department internal site resources, and various engaging compliance trainings done in partnership with LRN.

The E&C team is diverse in its experience, with attorneys, non-attorneys, former prosecutors, people versed in finance, internal audits, systems administration, analysis, and policy administration. Three governance committees one at the board level, an executive steering committee, and a compliance committee meet quarterly, and are used by the team to get buy-in on initiatives, get their insights on issues and events, and seeking resources, said Lanis.

“We do ask them to touch all levels of the organization, and repeatedly emphasize that everyone is responsible for compliance in their daily decisions,” she said. “As a compliance team, we serve as coaches educators, monitors, cultural reinforcers. Governance is a crucial aspect of operationalizing, and we need buy-in at all levels of the organization.”



#### FROM TOP TO MIDDLE

There is a particular focus on middle management, and Lanis said it starts with a strong tone at the top, as that sets the example of what is expected.

“We talk about the importance of their shared commitment to compliance, their importance as role models, the importance of compliance and remediation if something does come up, of not retaliating, of making sure they and their teams know where resources are,” said Lanis. “Of integrating compliance into their business thinking every day.”

The company started conducting a global survey of random managers a few years ago, then did the same with its U.S. managers, taking issues that had come up and setting up focus groups to explain what was happening in those areas, said Lanis.

It shared the results with both its dental and medical groups, which usually operate independent of each other. The comments were used to improve the program, and the changes were publicized through various communications, said Lanis.

*“As a compliance team, we serve as coaches educators, monitors, cultural reinforcers. Governance is a crucial aspect of operationalizing, and we need buy-in at all levels of the organization.”*

“These are examples of how you can leverage frontline management through the middle on up to model and walk the talk,” said Dr. Marsha Ershaghi Hames, an expert on corporate culture, governance, risk, compliance, and ethics.

“When concerns need to be escalated, they are more likely to scale to the frontline supervisor, so you want to find ways for continuous engagement and to develop a two-way dialogue, so when misconduct occurs employees feel comfortable escalating.”

A key component of getting buy-in is to have each general manager or managing director designate someone from their team to be the point person for ethics and compliance to work in the most important, highest-risk areas, said Lanis.

“We don’t have a full-time compliance person for each business unit, so doing it this way as a matrix, defining key focus areas helps not to burden any one individual or champion, and helped with buy-in,” she said.

Externally and internally, things are continually changing, and that requires continuous learning and improvements. For ethics and compliance, Lanis said that means being independent, demonstrating experience and confidence, but understanding “we have to earn trust every day, and bring value every day, to our business partners.”

*“To show we are trusted advisors, we are reliable, we understand their aims. It doesn’t mean we can always say yes, but it means we are trying to get as close to their aims as we can.”*

#### ABOUT LRN

LRN offers education, tools, and advisory services to help organizations develop values-based cultures and leadership, strengthen ethics and compliance efforts, and inspire principled performance. Founded in 1994, LRN is a global company that has educated more than 20 million employees and has worked with more than 700 companies in 100 countries worldwide.

LRN’s work is grounded in HOW®, a philosophical framework for individual and organizational behavior in a world that is increasingly complex and interdependent.

#### NEW YORK

745 5<sup>th</sup> Avenue, 8<sup>th</sup> Fl  
New York, NY 10151  
Direct: 646.862.2040

#### LONDON

One Heddon Street  
London, W1B 4BD  
United Kingdom

#### INDIA

Nirlon Knowledge Park Block B6, 3<sup>rd</sup> Fl  
Goregaon East Mumbai, 400063  
Direct: +91 22 6151

800.598.2809

[www.LRN.COM](http://www.LRN.COM)

FOLLOW US:  