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Crisis of the Week: Sanofi's Handling of Bribery Allegations

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In this feature we invite crisis management and reputation experts to dissect a story in the news and offer their views on how well the companies responded externally. This week, we ask our crisis experts to dissect the actions of drug maker Sanofi SA, which is dealing with allegations some employees paid doctors in return for promoting and using the company's drugs.



Bloomberg News

Once it learned of the allegations of improper payments, Sanofi said it notified U.S. regulators about allegations involving improper payments in the Middle East and East Africa, hired an outside law firm to investigate the claims and said it would cooperate in any reviews. Was that enough?

Carreen Winters, executive vice president and global corporate reputation practice leader at crisis communications firm MWW: “The good news for Sanofi is that it did the right thing by proactively notifying U.S. regulators about bribery allegations in Africa and the Middle East, and by hiring outside counsel to conduct an independent investigation. By emphasizing that it has already taken proactive steps to address the situation rather

than waiting until after the allegations went public, Sanofi helped mitigate the initial blow to its reputation.

“The bad news for Sanofi is that other pharmaceuticals, including GlaxoSmithKline and Novartis, have also faced similar bribery charges, and now Sanofi runs the risk of ‘guilt by association’ in the court of public opinion. And that’s where Sanofi’s real challenge lies.

“Sanofi should continue to opt for transparency moving forward. And it should walk the talk when it comes to cooperating with regulators and independent investigators.”

Shannon M. Wilkinson, CEO, Reputation Communications: “Sanofi’s handling of this crisis is impressively proactive. By stepping up and informing the authorities of the improper payments, Sanofi avoided an online hornet’s nest. Imagine the fallout if hashtag activists, the media or watchdog groups had learned about them first. In similar cases with other pharmaceutical companies, the headlines have charged ‘corruption.’ These headlines focus on the actions Sanofi is taking to rectify the situation. As a result, Sanofi ‘owns’ the story.

“Trust is the foundation of reputation, and Sanofi is building trust with its handling of this issue so far. If media focus on the issue escalates, the company should consider posting updates from the investigation on their Twitter feed. A hashtag such as #SanofiUpdate would be appropriate. So would a short video of Sanofi Chief Executive Christopher A. Viehbacher addressing the issue. If the investigation finds that the allegations are accurate, it is unlikely the media response will qualify as a crisis. It will be damaging, though, if evidence turns up that top management had previously known about the payments.”