

PHARMACEUTICAL LEADERSHIP: REQUIREMENTS FOR SUCCESS

Leaders provide organisations with a clear strategic focus to successfully deliver on their priorities. They make bold decisions, navigate new challenges and empower their teams to drive the organisation towards its goals.

There are six requirements that many leaders focus on to maximise their success in the pharmaceutical industry (Figure 1).

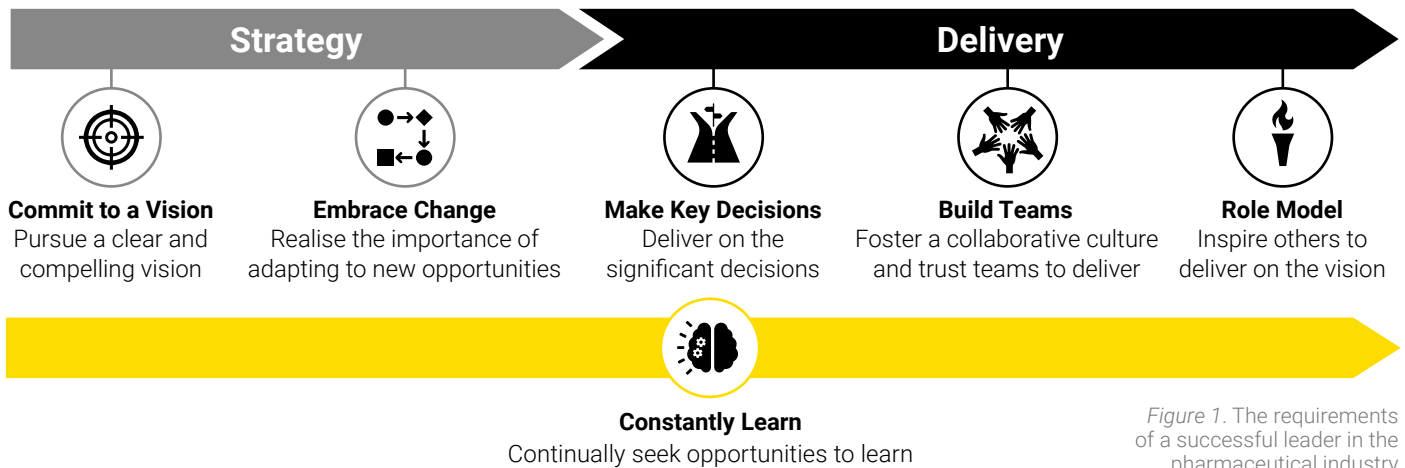


Figure 1. The requirements of a successful leader in the pharmaceutical industry

COMMIT TO A VISION

A successful leader pursues a clear and compelling vision aligned with the organisation's core capabilities. They have a strong sense of what is right for the company and ensure that their teams understand and believe in the vision. They have a 'big-picture' mindset, thinking cross-functionally and striking a balance between short-term value and long-term potential.

Example: Kenneth Frazier focused on the long-term view for Merck & Co, anticipating future challenges. In his decade as CEO, Frazier increased Merck's investment in R&D and transformed it into an oncology leader with the launch of Keytruda. Frazier's unwavering commitment to his strategic vision led the company's stock price to more than double under his leadership.

EMBRACE CHANGE

Good leaders realise the importance of change. They understand that they must embrace disruptive innovation to succeed in the long term. They proactively address the evolving needs of stakeholders and look to drive the productivity of their organisations.

Example: In the response to the COVID pandemic, Albert Bourla, CEO of Pfizer, partnered with BioNTech to successfully develop and deliver large volumes of the vaccine in a short period of time. He trusted his leadership team to advise him on a new technology and adapted the capabilities of a large pharmaceutical company to address a global health crisis.

MAKE KEY DECISIONS

A successful leader translates their vision into an actionable plan and has the discipline to deliver their vision by making the right decisions.

Important decisions in the pharmaceutical industry are trade-offs; good leaders choose the right trade-offs at the right time. They strike the balance between working collaboratively and having the resolution to make the final call. They are confident in their judgement and comfortable in being held accountable.

Example: Pascal Soriot, CEO of AstraZeneca, convinced shareholders to reject Pfizer's offer to acquire the company in 2014. He focused AstraZeneca's strategy on three core therapy areas and revived the development of the ovarian cancer medicine Olaparib. As a result of implementing these decisions, AstraZeneca's market capitalisation has doubled.

BUILD TEAMS

Successful leaders believe in the people around them and prioritise building strong teams. They encourage an open and honest culture that empowers teams to deliver at their highest level. They maximise engagement of teams by promoting collaboration and participation.

Leaders should trust their teams to deliver. They identify and nurture the right talent within and outside of the organisation. They integrate varied capabilities into a cohesive team and leverage diverse perspectives to maximise success.

Example: Vas Narasimhan, CEO of Novartis, believes good leadership is about inspiring rather than directing. He launched an initiative to develop 'unbossed' leaders who empower their teams. He is convinced that culture is the main driver of innovation, reputation, and performance, and has transformed Novartis into a company driven by self-directed teams.

ROLE MODEL

Leaders should be role models for their organisations. They lead by example and gain respect from their teams. Their track record of delivery earns them trust and credibility.

Role Models inspire engaged and passionate teams who understand their purpose, believe in the vision and want to deliver the vision. They act with integrity and have the emotional intelligence to motivate a range of stakeholders.

Example: John Maraganore built Alnylam into a pharmaceutical company with a multi-billion dollar market capitalisation. He established a resilient culture, inspiring his teams with his passion and commitment to RNAi technology. As a role model and by setting ambitious targets he delivered for stakeholders and motivated his team.

CONSTANTLY LEARN

A successful leader strives to become a better leader each day. They seek insights from their internal and external networks and lead through collaboration. By building strong relationships with their peers, they gain new knowledge and fresh perspectives.

Example: Kabir Nath, CEO of COMPASS Pathways, recognises that he does not know all the answers. He leverages learnings from his network of peers to evolve his role as a leader. He also encourages his team to step back and use their experiences to continue learning.

IN CONCLUSION

Leaders in the pharmaceutical industry face unique challenges. To succeed, they must deliver on many or all of the six requirements. They must think strategically, embrace change, and empower their teams. By continuously learning and making the right decisions, they deliver their vision and lead organisations to success.

Sources

This paper is based on Novasecta's experience of working with pharmaceutical leaders, augmented by discussions with senior leaders* and secondary research.

*We interviewed the following experts in the pharmaceutical and biotech industry:

- Kabir Nath (CEO of COMPASS Pathways, previously Senior Managing Director of Otsuka Pharmaceutical)
- Cathryn Gunter (previously VP at Merck & Co)
- Marc de Garidel (CEO of CinCor Pharma and Chairman of Ipsen)
- Gary Phillips (Chief Business Officer at Anaveon AG and previously Chief Strategy Officer at Mallinckrodt Pharmaceuticals)