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2018 PHARM EXEC 50

# HEAD-SMART FOR HIGH GOALS?

C-Suite Personality Profile



UBM



# 2018 Pharm Exec 50

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Pharm Exec's annual listing of the top biopharma players shows that most are holding their ground as they weigh a more challenging business climate with new opportunities for growth in a potentially resurgent marketplace

**A**mid all the swirling changes in the biopharmaceutical and healthcare marketplaces—from therapeutic advances on one side to access, pricing, and business pressures on the other—our latest annual list of the top 50 global biopharma sales leaders remained remarkably stable. The first 10 spots on the ledger, once again led by Pfizer, were unchanged from the previous full-year rankings. However, prescription sales gains among the entrenched stalwarts were relatively modest, on average, with Johnson & Johnson and Roche experiencing the largest increases at 7.6% and 5.5%, respectively. In assembling the data for the annual listing—now in its 18th year—*Pharm Exec* partnered again with life sciences market intelligence firm Evaluate Ltd.

Sanofi, ranked fifth in sales, boosted its R&D spend the most among the top 10 holders, with a 46% jump in investment versus the previous year. The Paris-based company currently has 28 projects in Phase III development or seeking approval with regulators, and has six programs targeting rare diseases in Phase II or III clinical trials. It's no secret that, overall, industry investment in rare disease drugs—on the investigative and commercial-ex-

pansion stages—is on the rise. The FDA, for example, reportedly granted 77 orphan drug approvals last year and 476 orphan drug designation requests.

Among the top 20 sales leaders on our list, other companies with notable spikes in R&D spending year-on-year include Gilead Sciences at 26.8%, Allergan at 69.5%, and Teva Pharmaceutical Industries, which more than doubled its output, investing \$4.97 billion in R&D.

Biopharma's bottom line in 2017 was impacted by US tax reform passed late in the year, which limited overall profit for some, with drugmakers having to pay large one-time charges related to the changes. Going forward, however, the tax reform, which lowered the income tax for US companies to 21%, is expected to spur a resurgence in life sciences M&A. It may already have, with several smaller-scale acquisitions announced by big pharma so far this year. Could such dealmaking, combined with larger, global moves, including Takeda's proposed \$62 billion acquisition of Shire last month, rearrange some of the positioning in our Pharma 50 listing come next year? The Takeda-Shire combo would thrust the new organization into the top 10, reports say.

Continued focus in political and other circles to curb drug pricing could influence the jockeying as well. Although it's difficult to gauge the immediate impact of some efforts, such as the US Administration's newly unveiled strategy to reform pricing, which didn't include specific timelines on policy implementation. What is more certain is the likely continued penetration of specialty drug products within the overall pharma market—a factor that has contributed to higher prescription medicine costs, even as some reports have predicted branded drug spending

in developed countries will actually fall this year and remain flat in the near-term.

With all the different dynamics at play, the importance of having strong and stable leadership has perhaps never been more critical for biopharma. Which brings us again to this year's special Pharma 50 accompanying feature by guest authors at the executive search and talent advisory firm Russell Reynolds Associates. It's clear organizations today are facing mounting market pressures, as the traditional commercial model has become increasingly challenged. The old

methods of leadership assessment, therefore, are now myopic, the authors contend, and new perspectives on identifying and benchmarking the character profile of effective C-suite leaders—with the makeup to lead over the long term—are needed. In the pages ahead, Russell Reynolds presents such an approach, using a framework of eight personality dimensions and applying them across all industries to extract those vital and distinctive leadership traits that will best predict “C-suite durability” in the world of biopharma.

— Michael Christel

Rank	Company headquarters [website]	2017 Rx Sales (USD in mln)	2017 R&D spend (USD in mln)	2017 Top-selling Drugs [USD in mln]
1	<b>Pfizer</b> New York, New York [pfizer.com]	\$45,355	\$7,627	Prevnar 13 [5,601] Lyrica [5,065] Ibrance [3,126]
2	<b>Novartis</b> Basel, Switzerland [novartis.com]	\$41,875	\$7,823	Gilenya [3,185] Cosentyx [2,071] Gleevec [1,943]
3	<b>Roche</b> Basel, Switzerland [roche.com]	\$41,732	\$9,181	Rituxan [7,506] Herceptin [7,126] Avastin [6,795]
4	<b>Merck &amp; Co.</b> Kenilworth, New Jersey [merck.com]	\$35,357	\$7,563	Keytruda [3,809] Januvia [3,737] Gardasil [2,308]
5	<b>Sanofi</b> Paris, France [sanofi.com]	\$34,397	\$8,360	Lantus [5,223] Pentacel [2,065] Fluzone [1,796]
6	<b>Johnson &amp; Johnson</b> New Brunswick, New Jersey [jnj.com]	\$34,078	\$6,184	Remicade [5,752] Stelara [4,011] Zytiga [2,505]
7	<b>Gilead Sciences</b> Foster City, California [gilead.com]	\$28,668	\$4,978	Harvoni [4,370] Genvoya [3,674] Eplusa [3,510]
8	<b>GlaxoSmithKline</b> Brentford, England [gsk.com]	\$27,743	\$4,829	Advair [4,035] Triumeq [3,172] Tivicay [1,810]
9	<b>AbbVie</b> North Chicago, Illinois [abbvie.com]	\$25,662	\$3,523	Humira [18,427] Imbruvica [2,144] Creon [831]
10	<b>Amgen</b> Thousand Oaks, California [amgen.com]	\$21,795	\$3,482	Enbrel [5,433] Neulasta [4,534] Aranesp [2,053]

Source: EvaluatePharma® May 2018, Evaluate Ltd, www.evaluate.com

**How the listings were compiled:** 2017 R&D Spend and 2017 Rx Sales analyses were provided by life science market intelligence firm Evaluate Ltd via its EvaluatePharma® service, www.evaluate.com. Pharm Exec would like to thank EvaluatePharma for assisting in the development of this year's Pharma 50 listing. EvaluatePharma takes sales estimates from leading equity analysts to create a consensus sales forecast, currently to 2024. Evaluate's Sales and R&D Spend figures represent the fiscal year that ended in 2017. For most American and European companies, that means the year ending December 31, 2017. For many Japanese companies, the fiscal year ending March 31, 2018, was used. Historic averages were used in the conversion of companies' native currency to USD.



# C-Suite Personality: Fit for Future?

Exploring new character benchmarks for today's pharma executives, and whether they have the transformational traits to lead through change

By Waseem Noor and Saule Serikova

**L**eadership's importance to organizational success is clear. Effective leadership focuses companies around strategy and inspires staff toward goals. Whereas, wrong-headed leadership destroys confidence and hinders an organization's ability to adapt to change. It is also clear that today's complex and volatile business environment has dramatically changed the leadership qualities required in the C-suite.

Two leadership topics, however, require more nuanced answers:

- » What are the traits that effective and adaptive leaders need in order to lead through change and uncertainty?
- » How suited are the personalities of pharma executives to navigating organizations through transformation?

This article describes a new perspective on the character profile of effective C-suite leadership across industries, and benchmarks the specific profile of executive leaders in the pharmaceutical industry.

Rank	Company headquarters [website]	2017 Rx Sales (USD in mln)	2017 R&D spend (USD in mln)	2017 Top-selling Drugs [USD in mln]
11	<b>AstraZeneca</b> London, England [astrazeneca.com]	\$19,782	\$5,412	Symbicort [2,803] Turbuhaler [2,365] Crestor [1,952] Nexium
12	<b>Allergan</b> Irvine, California [allergan.com]	\$19,258	\$4,823	Botox [3,169] Restasis [1,474] Linzess [723]
13	<b>Teva Pharmaceutical Industries</b> Petach Tikva, Israel [tevapharm.com]	\$18,532	\$4,973	Copaxone [3,801] Methylphenidate Hydrochloride [674] BendeKa [658]
14	<b>Bristol-Myers Squibb</b> New York, New York [bms.com]	\$18,261	\$1,848	Opdivo [4,948] Eliquis [4,872] Sprycel [2,005]
15	<b>Eli Lilly</b> Indianapolis, Indiana [lilly.com]	\$17,715	\$3,264	Humalog [2,865] Cialis [2,304] Ailmita [2,063]
16	<b>Bayer</b> Leverkusen, Germany [bayer.com]	\$16,971	\$2,129	Xarelto [3,140] Eylea [2,124] Mirena [1,272]
17	<b>Novo Nordisk</b> Bagsvaerd, Denmark [novonordisk.com]	\$14,906	\$2,100	Victoza [3,521] NovoRapid [3,043] Levemir [2,145]
18	<b>Boehringer Ingelheim</b> Ingelheim, Germany [boehringer-ingelheim.com]	\$14,449	\$1,565	Spiriva [3,193] Pradaxa [1,625] Tradjenta [1,506]
19	<b>Takeda</b> Osaka, Japan [takeda.com]	\$14,262	\$3,067	Entyvio [1,800] Velcade [994] Azilva [650]
20	<b>Celgene</b> Summit, New Jersey [celgene.com]	\$13,335	\$2,887	Revlimid [8,187] Pomalyst [1,614] Otezla [1,279]

### The challenge of assessing leadership capacity

The last two decades have seen a doubling in annual spending on leadership assessment and development. However, the same time period has been marked by a sharp decline in confidence in leadership assessment. The shortcomings of old leadership assessment methods lie in two major categories. First, they tend to be rather general and not tailored around the unique profiles of C-level positions. Second, old methods are myopic. They may do a fairly good job of selecting leaders able to meet the current demands of an organization and its market, but they are less successful in selecting those able to grow and adapt to the inevitable and rapid changes.

A part of this shortsightedness may be an over-investment in certain leadership approaches. Specifically, a set of “loud” traits —the competencies

that get noticed, such as tough-mindedness and decisiveness—are widely believed to be not just fundamental to but sufficient for successful leadership. When hiring, however, board members and senior leaders should be mindful that when “loudness” is the entirety of an executive’s personality profile, it threatens the long-term success known as “C-suite durability.”

### A unique approach to predicting durable C-suite success

Research on thousands of successful C-suite executives makes it clear that successful executives are much more than a collection of “loud” traits. The capacity to be bold and decisive is certainly critical to effective leadership, but equally necessary is a set of “quiet” attributes—the subtle competencies, like emotional sensitivity and humility.

Rank	Company headquarters [website]	2017 Rx Sales (USD in mln)	2017 R&D spend (USD in mln)	2017 Top-selling Drugs [USD in mln]
21	<b>Astellas Pharma</b> Tokyo, Japan [astellas.com]	\$12,928	\$3,017	Xtandi [2,656] Prograf [1,443] Myrbetriq [1,134]
22	<b>Shire</b> Dublin, Ireland [shire.com]	\$11,456	\$666	Advate [2,264] Vyvanse [2,161] Gammagard Liquid [2,106]
23	<b>Mylan</b> Canonsburg, Pennsylvania [mylan.com]	\$10,670	\$1,984	EpiPen [364] Esomeprazole [208] Magnesium [195]
24	<b>Biogen</b> Cambridge, Massachusetts [biogenidec.com]	\$10,355	\$2,254	Tecfidera [4,214] Avonex [2,152] Tysabri [1,973]
25	<b>Daiichi Sankyo</b> Tokyo, Japan [daiichisankyo.com]	\$7,411	\$635	Benicar [844] Nexium [781] Lixiana [696]
26	<b>CSL</b> Melbourne, Australia [csl.com.au]	\$7,216	\$2,009	Privigen [1,734] Human albumin [930] Hizentra [812]
27	<b>Merck KGaA</b> Darmstadt, Germany [merckgroup.com]	\$6,880	\$1,844	Rebif [1,820] Erbitux [964] Gonal-F [796]
28	<b>Valeant Pharmaceuticals International</b> Mississauga, Ontario [valeant.com]	\$5,327	\$1,476	Xifaxan 550 [979] Ocuvite [286] Wellbutrin XL [245]
29	<b>Otsuka Holdings</b> Tokyo, Japan [otsuka.com]	\$5,005	\$361	Abilify [632] MAINTENA [600] Samsca [573]
30	<b>Sun Pharmaceutical Industries</b> Mumbai, India [sunpharma.com]	\$4,633	\$1,194	Atorvastatin [163] Calcium [161] Absorica [157] Imatinib [157] Mesylate [157]

Source: EvaluatePharma® May 2018, Evaluate Ltd, www.evaluate.com

When “loud” traits are present in abundance but “quiet” characteristics are in short supply, two situations emerge that can lead to an executive’s derailment: a) The executive is unable to cope with the new requirements of changing business conditions, or b) The executive’s “overuse” of traits once seen as strengths goes unchecked.

It is the combination of both loud and quiet leadership competencies that helps ensure a C-suite executive’s long-term effectiveness and impact.

Collaborative research between Russell Reynolds Associates and Hogan Assessment Systems has yielded Leadership Span™—a forward-focused, tailored, and dynamic approach to identifying the traits of C-level executives who experience long-term success (see methodology explainer on page 21). The research identified successful leadership qualities by looking at executive job

performance through the lens of over 400 criterion studies and analyzing a data set of 32,000 executives that matched performance data to assessment data. From this, a set of personality dimensions that best predict performance was derived, creating the basis of the framework.

When it comes to the characteristics of executives along four dimensions of C-suite responsibilities, balance, *per se*, is not the key. It is not the “happy middle ground” between two opposing personality styles that is at the heart of successful leadership, but rather very pronounced leanings toward both competing competencies (see Figure 1 on page 20).

Leadership Span™ recognizes that an organization’s internal and external environments are not static. The approach to *Setting Strategy*, for example, will inevitably require a leader who is highly

Rank	Company headquarters [website]	2017 Rx Sales (USD in mln)	2017 R&D spend (USD in mln)	2017 Top-selling Drugs [USD in mln]
31	<b>Eisai</b> Tokyo, Japan [eisai.com]	\$4,518	\$1,203	Humira [495] Aricept [396] Halaven [369]
32	<b>Les Laboratoires Servier</b> Neuilly-sur-Seine, France [servier.com]	\$4,287	\$137	Diamicon [508] Vastarel [464] Aceon [432]
33	<b>Endo International</b> Dublin, Ireland [endo.com]	\$4,279	\$1,075	Vasostriect [400] Xiaflex [213] Ezetimibe [187]
34	<b>UCB</b> Brussels, Belgium [ucb.com]	\$4,246	\$422	Cimzia [1,609] Vimpat [1,094] Keppra [724]
35	<b>Abbott Laboratories</b> Abbott Park, Illinois [abbott.com]	\$4,058	\$473	Drospirenone; Ethinyl Estradiol [26] Ademetionine [21] Choline Alfoscerate [14]
36	<b>Fresenius</b> Bad Homburg, Germany [fresenius-kabi.com]	\$3,876	\$326	Heparin Sodium [76]
37	<b>Chugai Pharmaceutical</b> Toyko, Japan [chugai-pharm.co.jp]	\$3,718	\$2,075	Actemra [295] Edirol [264] Alecensa [149]
38	<b>Grifols</b> Barcelona, Spain [grifols.com]	\$3,687	\$817	Gamunex IGIV [1,163] Flebogamma [720] Prolastin-C [617]
39	<b>Regeneron Pharmaceuticals</b> Tarrytown, New York [regeneron.com]	\$3,684	\$804	Eylea [3,702] Arcalyst [17]
40	<b>Sumitomo Dainippon Pharma</b> Osaka, Japan [ds-pharma.com]	\$3,550	\$813	Latuda [1,637] Brovana [312] Merrem [182]

inclined to be measured and pragmatic, with an equally strong pull toward being bold and disruptive. When these “competing competencies” are clearly embodied in a single executive, organizations are better able to adapt to the constantly evolving situations of dynamic markets.

Along four dimensions, successful leaders are highly and simultaneously:

» **Pragmatic and disruptive.** In *Setting Strategy*, leadership should bring a level of innovation that shakes up the status quo when necessary as well as a pragmatism that is conducive to focus, priority setting, and a healthy pace of change.

» **Reluctant and risk-taking.** In *Executing for Results*, calculated risk and measured optimism

are hallmarks of strong leadership. Leaders should be just as inclined toward strategic hesitation as they are toward bold action.

» **Vulnerable and heroic.** In *Leading Teams*, perseverance and grit are only useful traits insofar as they don't make executives immune to criticism or cause them to deny reality. Leaders need to be open to feedback and external data and adjust accordingly.

» **Connecting and galvanizing.** In *Relationships and Influence*, leaders must be able to rally the organization behind their ideas, but they also need to know when to empower and give credit to others and how to connect the organization in ways that make it greater than an individual personality.

Rank	Company headquarters [website]	2017 Rx Sales (USD in mln)	2017 R&D spend (USD in mln)	2017 Top-selling Drugs [USD in mln]
41	<b>Alexion Pharmaceuticals</b> Cheshire, Connecticut [alxn.com]	\$3,469	\$163	Soliris [3,144] Strensiq [340] Kanuma [66]
42	<b>Mallinckrodt</b> Dublin, Ireland [mallinckrodt.com]	\$3,141	\$344	H.P. Acthar Gel [1,195] INOmax [505] Ofirmev [303]
43	<b>Menarini</b> Florence, Italy [menarini.com]	\$3,072	N/A	Bystolic [312] Enantyum [148] Uloric [105]
44	<b>Mitsubishi Tanabe Pharma</b> Osaka, Japan [mt-pharma.co.jp]	\$2,733	\$693	Remicade [588] Talion [171] Tenelia [168]
45	<b>Lupin</b> Mumbai, India [lupin.com]	\$2,633	N/A	Metformin Hydrochloride [130] Lisinopril [50] Cefixime [41]
46	<b>Actelion</b> Allschwil, Switzerland [actelion.com/en]	\$2,344*	\$310	Opsumit [487] Tracleer [258] Upravi [249]
47	<b>Aspen Pharmacare</b> Durban, South Africa [aspenpharma.com]	\$2,331	\$77	Fraxiparine [301] Diprivan [192] Arixtra [119]
48	<b>Kyowa Hakko Kirin</b> Tokyo, Japan [kyowa-kirin-pharma.com]	\$2,272	\$438	Aranesp [553] Sensipar [185] Neulasta [179]
49	<b>Ono Pharmaceutical</b> Osaka, Japan [ono.co.jp]	\$2,243	\$325	Opdivo [777] Januvia [248] Orencia SC [128]
50	<b>Ferring Pharmaceuticals</b> Parsippany, New Jersey [ferringusa.com]	\$2,214	\$201	N/A

Source: EvaluatePharma® May 2018, Evaluate Ltd, www.evaluate.com.

\* Actelion sales represent partial-year estimates of prior to the acquisition by J&J in June 2017.

### Leadership Span™



Figure 1: “Competing competencies” are at the core of C-suite performance.

#### Percentage of population rated either “above average” or “high” in both traits in each dyad

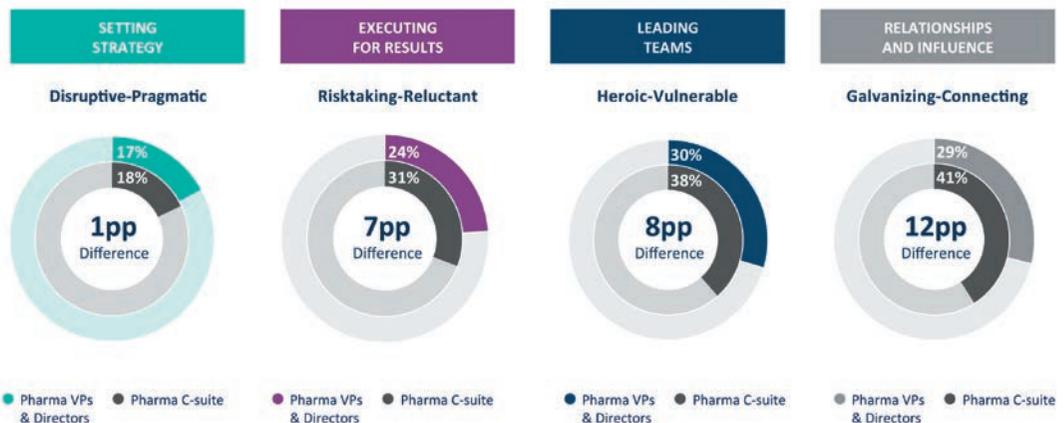


Figure 2: The analysis found that pharma C-suite individuals had a wider leadership span than pharma VPs and directors.

Source for all figures: Russell Reynolds Associates

The degree to which these paradoxical traits are embodied in a single leader is the “span”—the higher an individual scores in both “competing” traits along one of the four dimensions, the bigger the span in that dimension. An analysis of various levels of leadership shows that the size of the span increases as the level of leadership responsibility grows. For example, C-suite leaders exhibit a significantly wider span than global executives, whose span is wider than those of mid-level managers.

#### Demystifying the personalities of pharma C-suite leadership

Across industries, the correlation between span and leadership level is quite clear, but what does this phenomenon look like for pharmaceutical executives in particular? To explore this question, Russell Reynolds used industry-wide data as a benchmark and then compared pharma-specific results in the following two ways.

#### C-suite pharma executives vs. other pharma leaders

Across industries, C-suite leaders possess a larger span than other professionals do. That is, leaders at the highest levels score higher in both competing traits along all four dimensions than lower- and mid-level professionals. Our research finds that this is true in pharma as well, but with one exception. On the *Setting Strategy* dimension, the span for C-suite executives is not significantly different than it is for pharma VPs and directors (see Figure 2).

We measured individuals in two groups—pharma C-suite and pharma VPs/directors—on the competing characteristics within each of the four dimensions. We then looked at who was rated either “above average” or “high” for both characteristics within each dimension. For example, along the dimension of *Executing for Results*, about 24% of VPs and directors in pharma rated above average or high in terms of risk-taking and

Leadership Span™ mean values

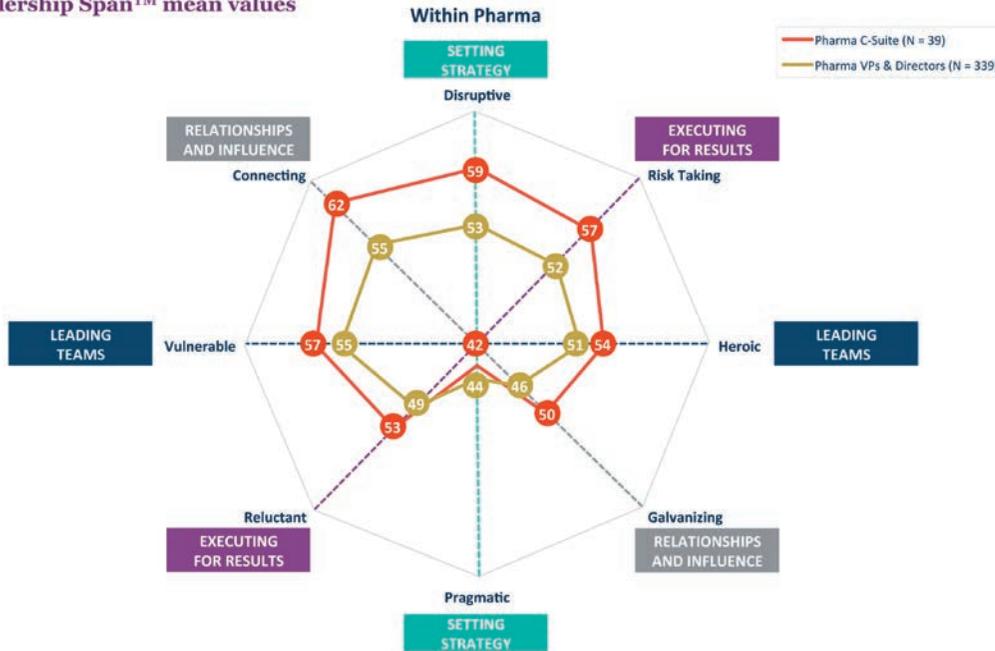


Figure 3: Within pharma, C-suite individuals have a larger span, except around pragmatism.

Percentage of population rated either “above average” or “high” in both traits in each dyad

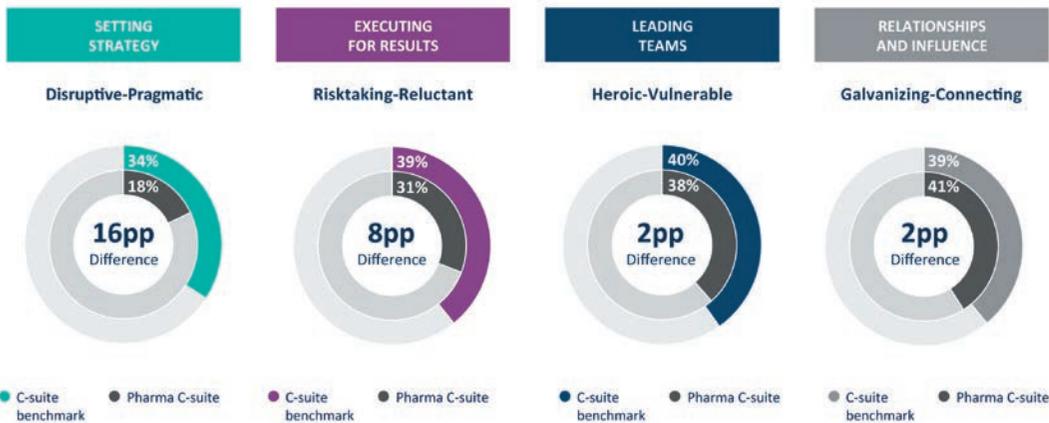


Figure 4: Looking across industries, we found that pharma C-suite individuals differed from benchmark C-suite on two dimensions.

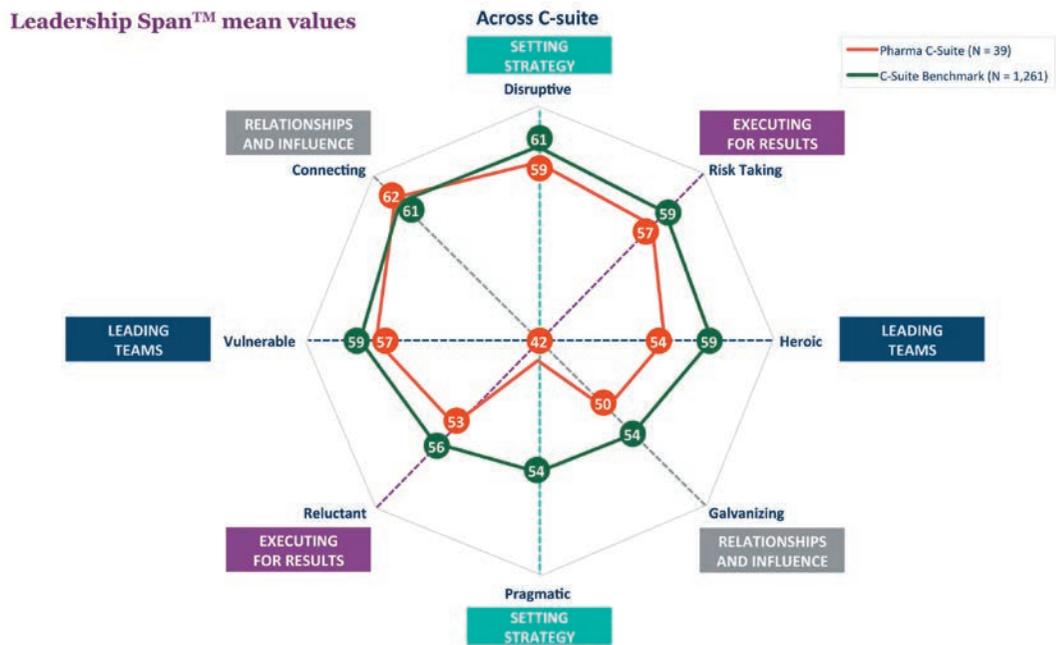
reluctance. Whereas, 31% of C-suite executives scored well on these traits. For the dimensions of *Leading Teams* and *Relationships and Influence*, there, C-suite executives score higher than other leaders in pharma organizations as well. It is only in the *Setting Strategy* dimension that the two groups score about the same.

### Methodology

To evaluate the degree to which leaders are likely to display the critical competencies of the Leadership Span™ model, data from the core Hogan assessment approaches were synthesized using a custom meta-analytic algorithm generated from Hogan Assessments data archive. This approach leverages Hogan’s gold standard methodol-

ogy for assessing leadership potential and predicting leadership effectiveness.

Results for pharma executives were aggregated and compared with the senior executive populations. In addition, the strongest traits among these aggregated scores were identified as distinctive of this pharma executive population.



**Figure 5:** Pharma C-suite seems to be less pragmatic and heroic in their characteristics.

A closer look at scores for the individual characteristics within each dimension is revealing. In Figure 3 (see page 21), we have mapped out each of the dimensions as an axis on a spider chart. The competing traits are mapped on opposite ends of the line. An individual with a larger span across the dimensions will have a larger circle.

**C-suite pharma vs. C-suite benchmark**  
Examining the data to compare C-suite executives in pharma to their counterparts across other industries further emphasizes pharma’s uniqueness. In this analysis, it is also the *Setting Strategy* personality dimension that is the source of the difference, with C-suite leaders in pharma having a narrower span along this dimension than the benchmark group of C-suite executives (see Figure 4 on page 21).

Although pharma C-suite executives are similar to other industry C-suite leaders along the other three dimensions, there is a significant difference along the first dimension of *Setting Strategy*. Once again, if we look specifically at the two traits of this dimension, we find that pragmatism is the culprit, with C-suite executives in pharma scoring just as high on the “disruptive” trait as their counterparts in other industries, but being significantly less “pragmatic” (see Figure 5).

In a nutshell, pharma C-suite executives tend to be less pragmatic than C-suite executives in other industries, and unlike their counterparts in other sectors, they are not more pragmatic than their VPs and directors. In addition, the C-suite seems to be selecting and grooming directors and VPs with similar traits, as is evidenced by “pragmatism” being the characteristic in which pharma’s junior leaders also score the lowest.

It is the combination of both loud and quiet leadership competencies that helps ensure a C-suite executive’s long-term effectiveness and impact

Looking at the results, we see that in general, C-suite executives in pharma have a larger span than VPs and directors, in that the red circle is larger than the yellow one. Surprisingly though, we see that scores for one characteristic within *Setting Strategy* depart from the pattern and lead to the two cohorts having similar spans in that dimension. While pharma C-suite executives are more “disruptive” than their more junior colleagues, they score about the same in measurements of how “pragmatic” they are.

We will return to why we believe this effect is happening after the second cohort comparison.

## Tale of Two Leaders

Fictive examples of the wide and contrasting span of traits exhibited by C-suite leaders.

**DIEGO** is the CEO of a small pharma company. He has an MBA from a prestigious Ivy League school and watches over a pipeline of about four marketed antibiotics with about \$1 billion in revenue. His Board has been pushing him to expand into new therapeutics areas, but he does not see this as a realistic goal for the company. He sees that the antibiotics market has become commoditized. He also recognizes that the Board is making a more passion-based decision rather than an achievable strategy, since it would be difficult for his sales force to sell products from other therapeutic areas. In addition, given the increased pressure from payers, he understands that he can not stand on the prior achievements of the company. He is aware of the company's and his own strengths and limitations, and so would like to implement continuous improvements rather than an overarching change in strategy. He is looking to set an achievable strategy where he can supplement his pipeline with other anti-infectives, for example, anti-fungals, which his sales force can sell more easily. He then plans to use his considerable charisma and zeal to convince his team and Board to align around this vision.

This is a **pragmatic** leader as he is creating realistic goals and marshaling resources well. Although he is **reluctant** and exercises caution in taking risks, he shows strength in pushing back against passion-based decision-making by exercising a healthy degree of cynicism. He demonstrates his **vulnerable** qualities by being self-aware and increasing standards of the organization. This is a rare quality and should not be mistaken for weakness. He also recognizes that once the strategy is established he can be **galvanizing** to bring together the troops and align follower around the mission.

### As pressure builds, pragmatic leadership becomes more important

To examine the “span gap” in pharma, it is important to understand the industry's historical context. Pharma has enjoyed traditionally high margins, and as an industry it has been relatively safe from some of the market pressures faced by, for example, electronics or consumer goods. Specifically, pharma's 15-year development timelines and 20-year post-invention patent protections have created a rather protected commercial model with high hurdles to entry. Given pharma's level of immunity to market threats thus far, it makes sense that prag-

**PRIYA** is the CEO of an oncology biotech startup. She has a PhD in genomics and her company's technology is based off work she conducted during her dissertation about 10 years ago. The company has found a novel way to test for genetic markers, and she has received a first round of financing from venture capital and is looking to raise Series B. The first stage of financing did not come easy, and she had to try a number of times before she found the right VC to back her. Given radical innovation in the industry, she is stretching the organization to think in big, long-term, and global perspectives. She has set up 10 new initiatives to promote the technology with larger pharma companies, and is steadfast and relentless in her commitment to take the company to higher heights. She is the first one in the office and the last one to leave and is prepared always for every meeting. She would like to take on more risks given the complex and uncertain environment, but she finds that her people have become exhausted by the changes that the organization is making. To ensure their alignment with the vision, she has decided to let others take on the spotlight of the achievements when presenting to the Board and is thinking about ways to profile the next generation of leaders.

This is a **disruptive** leader. She is a permanent source of ideas and pushes innovation through the exploitation of opportunities. She is willing to be **heroic** in her leadership and displays resilience and grit, which commands respect from her team. She is **risk-taking** and is comfortable with adapting nimbly to situations. She recognizes that to keep her team motivated and engaged she needs to be **connecting** individuals together, so that they are engaged beyond the energy she provides, and, instead, to the greater purpose of the organization.

matism may not be fostered as an important trait in a C-suite executive.

Looking ahead, however, pharma's commercial model may not continue to enjoy protections, and pressure will likely mount. Disaggregation of the pharma value chain, regulatory compliance, digitization, and value-based reimbursement models are among the trends that are making management issues less static. As pressure grows, pragmatism will become an increasingly important trait of the C-suite pharma executive, and leaders will need to be chosen who demonstrate strength in this trait as well as in the seven others. **PE**



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