



 CHRISTIAN
& TIMBERS

About Christian & Timbers

Since 1980, Christian & Timbers has been the performance-driven executive search firm serving Fortune 1000, NASDAQ, FTSE 100, CAC 40, DAX and other leading global corporations. With a proven record in C-suite, top executive, and board searches, as well as private equity and venture capital services, Christian & Timbers offers expertise in technology, financial services, life sciences, professional services, retail, and manufacturing.

Christian & Timbers' focus is simple: Place the right executive in the chair. With a commitment to performance, quality and results, our firm's audited successful placement rate during 2005 was 79%, believed to be the highest in the industry.

Methodologies used include state-of-the-art technology, such as ClientNet®, a password-protected extranet service that renders a search transparent and facilitates client communications. Other tools include Candidate Central™, which shortens the recruitment cycle by efficiently engaging candidates, and a 40-day Audit™ process.

Headquartered in New York, Christian & Timbers has offices in Boston, Chicago, Cleveland, Columbia, Geneva, Jerusalem, London, Menlo Park, Paris, and Washington, DC.

www.ctnet.com



 CHRISTIAN
& TIMBERS

Your Executive Search Partner:
Committed to Performance, Quality & Results

Recruiting for the C-Suite in Life Sciences

What should boards of directors look for in top executives in life sciences? What are the different qualities to expect and demand within biotechnology, medical devices, and pharmaceuticals? Christian & Timbers Global Life Sciences & Healthcare Practice tracked some of the important executive changes in these three industries. Based upon a survey of 46 C-level executive changes in global companies and interviews with our senior partners, we have compiled valuable insights to help you build a strong executive team.

Think Globally and Never Forget the Consumer

According to our Partners, significantly different skills and mindset are necessary for executives within the pharmaceutical, medical device, and biotechnology industries. However, across the board we believe that whether you are hiring executives for an emerging biotech or an established pharmaceutical giant, virtually every life sciences executive suite should include the following mix:

- **Global expertise.** Ideally, your C-suite should be made up of people with different cultural backgrounds with the ability to market your products internationally.
- **Technological expertise.** Technology goes far beyond the domain of IT. Your top executives should understand how to use technology as a competitive advantage.
- **Consumer expertise.** With the ever-increasing impact of the Internet, consumer knowledge across all three industries will only continue to grow. Therefore, someone in the executive suite—if not the CEO—must have deep consumer knowledge if your company is to thrive.

SURVEY OVERVIEW

- **Life sciences top executives are a relatively young group**, with an average age of about 48.
- **Most top pharmaceutical executives are found within their own companies** (67%), while medical devices (39%) and biotech industries (44%) found fewer inside candidates.
- **Similarly, 100% of the pharmaceutical executives were hired from within the same industry**, whereas % came from other industries in medical devices and 44% in biotech.
- **CEOs (47%) and CFOs (39%) are on the hot seat together**, with the most change compared with CSOs or CMOs (both at 4%.) In fact, 5 of the 46 companies surveyed hired both CEOs and CFOs within the same year.
- **The survey revealed fewer executive changes in pharmaceutical companies** (27%) than in the more volatile medical devices (32%) and biotechnology industries (41%).



LIFE SCIENCES AND HEALTHCARE PRACTICE AT-A-GLANCE

- For 25 years, Christian & Timbers has helped life sciences companies to build world-class leadership teams with particular expertise in Board and C-Level recruiting.
- The Life Sciences & Healthcare Practice is the fastest growing practice within Christian & Timbers. With key issues such as convergence, globalization and regulatory changes affecting the industry, our consultants fully understand the challenges our clients face.
- The Practice boasts an extensive track record of successfully completed searches across all functions for both public and privately held companies. Recent clients include: Steris, St. Jude Medical, Novartis, Biogen, Bristol-Myers Squibb, IDEXX and Smith & Nephew.
- Currently Christian & Timbers is ranked among the Top 10 U.S. executive search firms and the Top 15 globally. We attribute our growth and continued success to our strategic thinking, continuous communication, and technology utilization.



Pharmaceutical

BILLIONS OF DOLLARS. *Thousands of employees across many geographies. Years of research and development...*

...that's what it takes to build a pipeline of blockbuster drugs. So it's no surprise that many board members look within their own companies for executives who possess both a keen understanding of the science and the ability to lead a multinational enterprise. In our survey, not only did 67% of all changes in pharmaceuticals come from within the same company—but 100% from within the same industry.

Observations and recommendations:

- **Find leaders who can buck the industry trends.** Global cost-control measures, expiring patents, increased competition from generics, greater litigation risks, and drug development costs in the area of \$1 Billion for a successful compound...these are just some of the challenges facing big pharma. Look for candidates who have achieved success on a global level by filling the pipeline through entrepreneurial means such as reallocating research dollars, negotiating and managing alliances, and highly effective internal and external communications skills.
- **Succession planning is important, but there can be a downside.** It's easy to become too inwardly focused. Consider seeding the organization with talent from outside the industry early enough so the executives have time to share new ideas and grow into their senior roles.
- **Avoid "recruiting in your own image."** As a board member, your own industry guidelines may differ significantly from that of a C-Level pharmaceutical executive. Make sure the recruiting requirements and compensation plan is truly aligned with the position and market realities.

Biotechnology

A DOZEN TO A FEW HUNDRED EMPLOYEES. *One to two products. High risk and high rewards...*

With a few of the right products, you win big. Without them, you're out of business. Top executives in biotechnology must have a genuine entrepreneurial mindset, including a high tolerance for risk and the flexibility to quickly find new business opportunities. The survey results show that biotechnology CEOs are highly likely to move on, with 11 changes compared to 5 and 7 changes with pharmaceuticals and medical devices, respectively. For many biotechnology companies, changing CEOs and CFOs is considered virtually a rite of passage as companies outgrow the business skills of the founders.

Observations and recommendations:

- **The best place to find top executives is usually another biotech firm.** Ten years ago, it was more typical to recruit from academia or pharmaceutical companies. Now the industry has matured enough that the best candidates are available with proven management experience in leading close-knit teams and operating on a high-stakes international level.
- **Look for CEOs and CFOs with the ability to bring in money.** Do your CEO candidates have good contacts with venture capital firms or private investors? Do your CFO candidates have IPO experience? This background is vital to taking your company to the next level and beyond.
- **Biotech leaders must micro-manage as well as macro-manage.** If you're hiring for a start-up, are your candidates prepared for how granular the demands might be? C-level roles at start-up firms require flexibility, energy, and the ability to function well in a pressure-cooker environment. This isn't the position for someone who needs an entourage.

Medical Devices

CONSTANT PRODUCT INNOVATION. *Increasing consumer product knowledge. Emphasis on strategic alliances...*

Medical device companies look different than they did five years ago. Odds are they will look even more different five years from now. The products are growing more complex, with the technology sometimes converging with pharmaceuticals. As consumer knowledge continues to increase and sales expand internationally, the need for strategic alliances and outsourcing is becoming more common. The survey reveals that medical device company board members are a bit more willing to go outside their industry for top executives, with 17% of the changes coming from outside, while biotechnology went outside for just 4%, and pharmaceuticals not at all.

Observations and recommendations:

- **Look for leaders who can deliver long-term growth through substantive development.** Many medical devices companies have built themselves around a continuous stream of newly developed products. However, with some companies, those developments represent slight rather than substantive changes. Search for leaders with a track record of attaining long-term growth through significant product development.
- **Expect greater interactions between pharmaceuticals and medical devices.** Given the convergence in technologies, you may find candidates with the right expertise within the pharmaceutical industry. Just make sure they are attuned to the more entrepreneurial nature of the medical device industry.
- **Senior medical device executives must have outstanding communications skills** and be able to lead without direct control over many of their important constituents. Look for candidates who have successfully led organizations through influence rather than direct authority.

Don't ignore your older talent
Average Executive Age by Industry

Pharmaceutical 44.75

Biotechnology 49.6

Medical Devices 49.4

With the survey revealing the average age of top Life Sciences executives to be just under 48.55 many highly experienced and valuable executives are being bypassed. Consider your "over -50" candidates carefully for leadership or mentoring positions.