

***GLOBAL PARTNERS, INC.***

**Balancing Business and Science**  
***The Key to Success for Life Science Organizations***

## **About Global Partners, Inc.**

**Global Partners, Inc. is an international consulting firm dedicated to helping Life Sciences companies grow their global businesses.**

**Our highly customized research, consulting and management development programs are focused on enabling our customers to achieve their most important business results on a global scale.**

## Panel

### **Eric Kawashima**

Head of Global Discovery  
Operations  
Serono

### **Robert Hargadon**

Vice President Human  
Resources International  
Boston Scientific

### **Paul Broude**

Epstein Becker & Green, P.C.

### **Thomas Boehm**

Techno Venture  
Management

## Industry Leaders



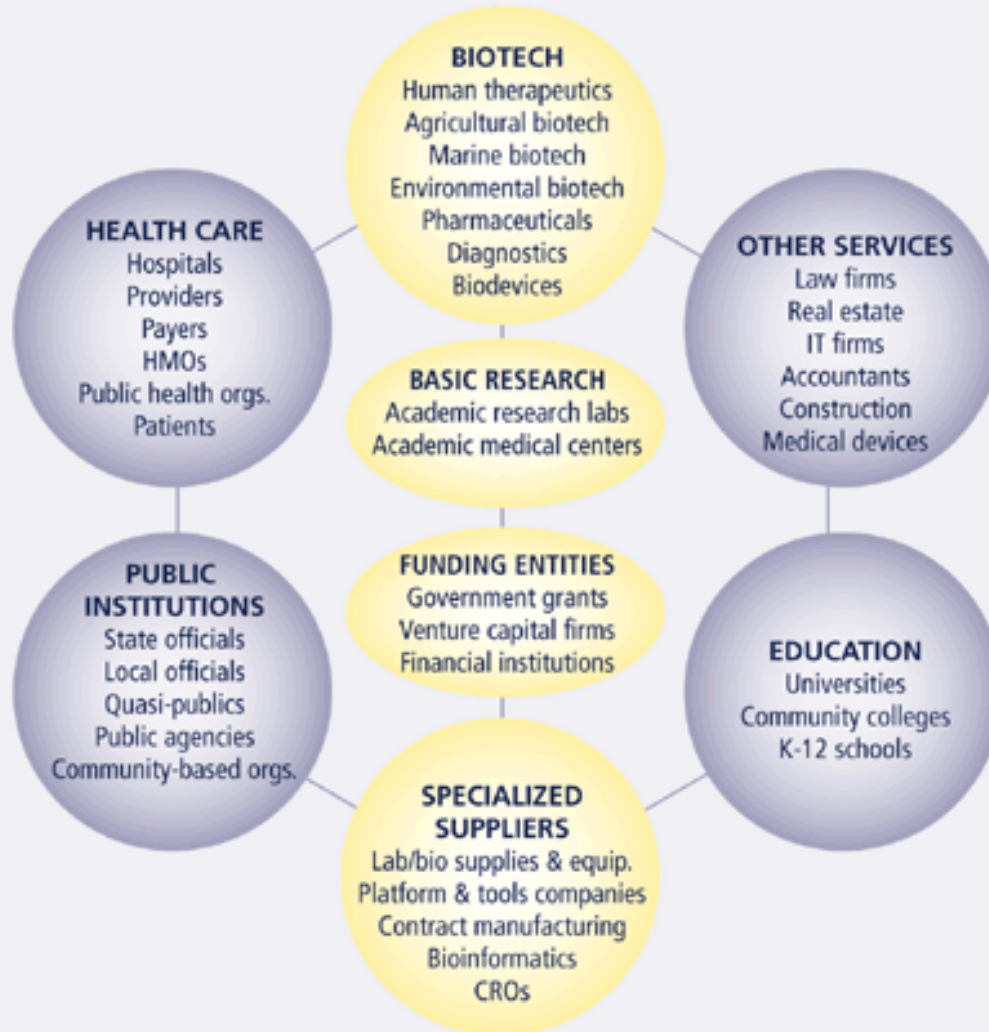
- A global biotechnology leader with worldwide revenues of US \$1.546 billion in 2002, making it the largest biotech company in Europe and third largest in the world
- Successfully launched Rebif – an MS fighting drug – in the US against a competitive ‘orphan drug’



- A worldwide biotechnology leader with revenues of US \$2.929 billion in 2002, making it the world's largest medical device company dedicated to less-invasive therapies
- Internally developed and launched TAXUS™ drug-eluting coronary stent system, an industry changing device

# Life Sciences Industry

EXHIBIT 14: THE LIFE-SCIENCES ECONOMIC CLUSTER



## Life Sciences Headlines

**Bucking the Trend: As venture investing declines nationally, new figures show a rebound in New England**

By Beth Healy  
Boston Globe: May 12, 2003

**Where the Money is: Is Big Pharma the next target for attack?**

The Economist: April 26, 2003

**How to Benefit from the Alliance of Science: Big companies are using the research expertise of smaller groups to stay competitive but they need to manage the risk**

By Marianne Brun-Rovet  
Financial Times: April 16, 2003

**A Voyage of Discovery: Biotechnology may yet renew the pharmaceutical industry**

The Economist: March 29, 2003

**Drug Makers Tap Chain's Expertise**  
Chain Drug Review: Apr 28, 2003

**The Power of Knowledge: Profits have fallen as labs have struggled to come up with fresh products**  
By Christopher Bowe  
Financial Times: Apr 16, 2003

**Biotech Mergers: Cash talks louder than technology**

By Andrew Pollack  
The NY Times: Mar 5, 2003

**Anemic Patient Needs to take its Medicine: Investors have fallen out of love with an industry with fewer products in the pipeline**

By Geoff Dyer  
Financial Times: Apr 16, 2003

**FDA Approves Better, But More Expensive Stents**  
Medicine and Health:  
Apr 28, 2003

**New Drugs Get Heftier Price Tag: \$897M**  
Boston Business Journal:  
May 13, 2003

**Keep Taking the Tablets: Companies are producing different ways to market drugs that are out of patent**  
By Ross Tieman  
Financial Times: Apr 16, 2003

**Drug Coated Stents Approved to Keep Diseased Arteries Open Longer**  
The Kight-Ridder Tribune  
Business News: Apr 25  
2003

## Today's Discussion

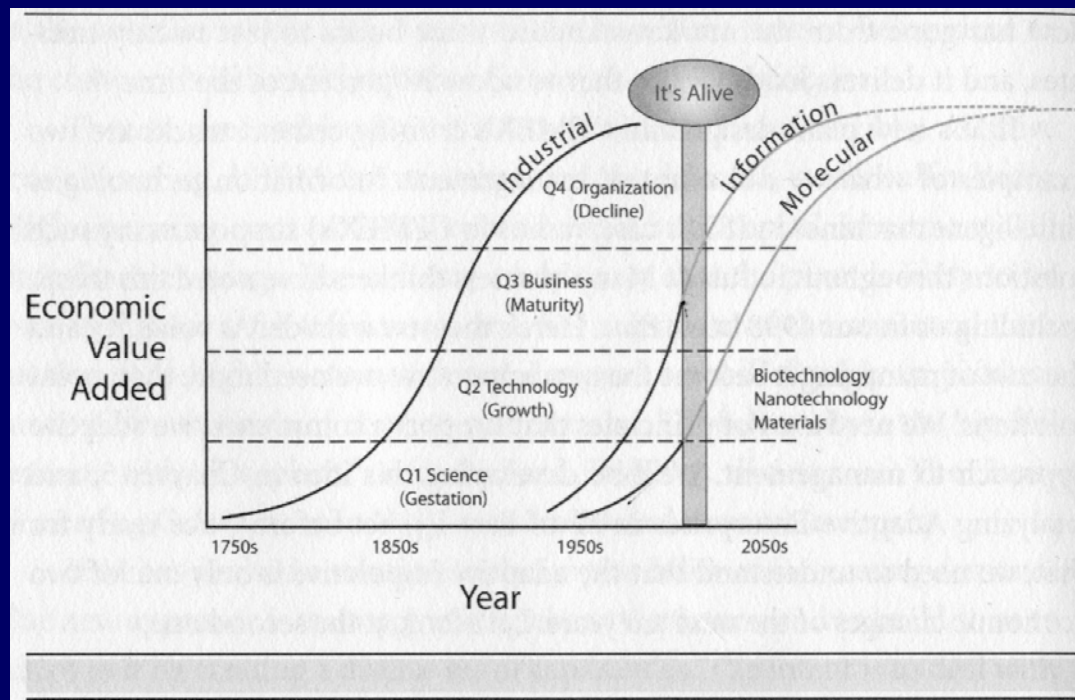
### 1. An Industry in Transformation

2. Balancing Business and Science
3. Culture – Critical to Establishing the Balance
4. Communication – Networking across the Organization and Industry
5. Collaboration – The Core Competency for Life Sciences Companies

## Industry Transformation

**“We find ourselves on the cusp of an opportunity that will not only redefine us as a company, but that also promises to redefine an entire industry.”**

**- Pete Nicholas, Chairman and Jim Tobin, CEO of Boston Scientific Corporation**



# Business Transformation

## PHASE 1

### SCIENCE

- Heavy science orientation typically from **founders** and a few key scientists
- **Creatively inventing** science based cures
- **Continuous exploration**
- Learn and change

### Exploring and Inventing the Pattern

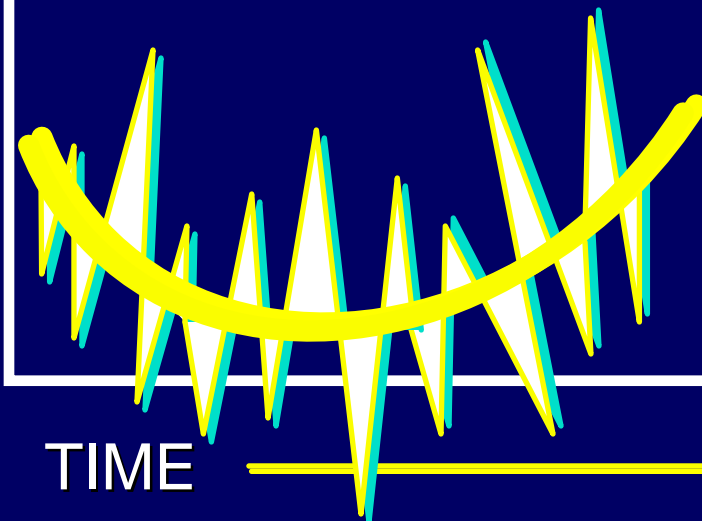
- Entrepreneurial
- Divergent
- Inventive
- Creative
- Exploratory

### BUSINESS

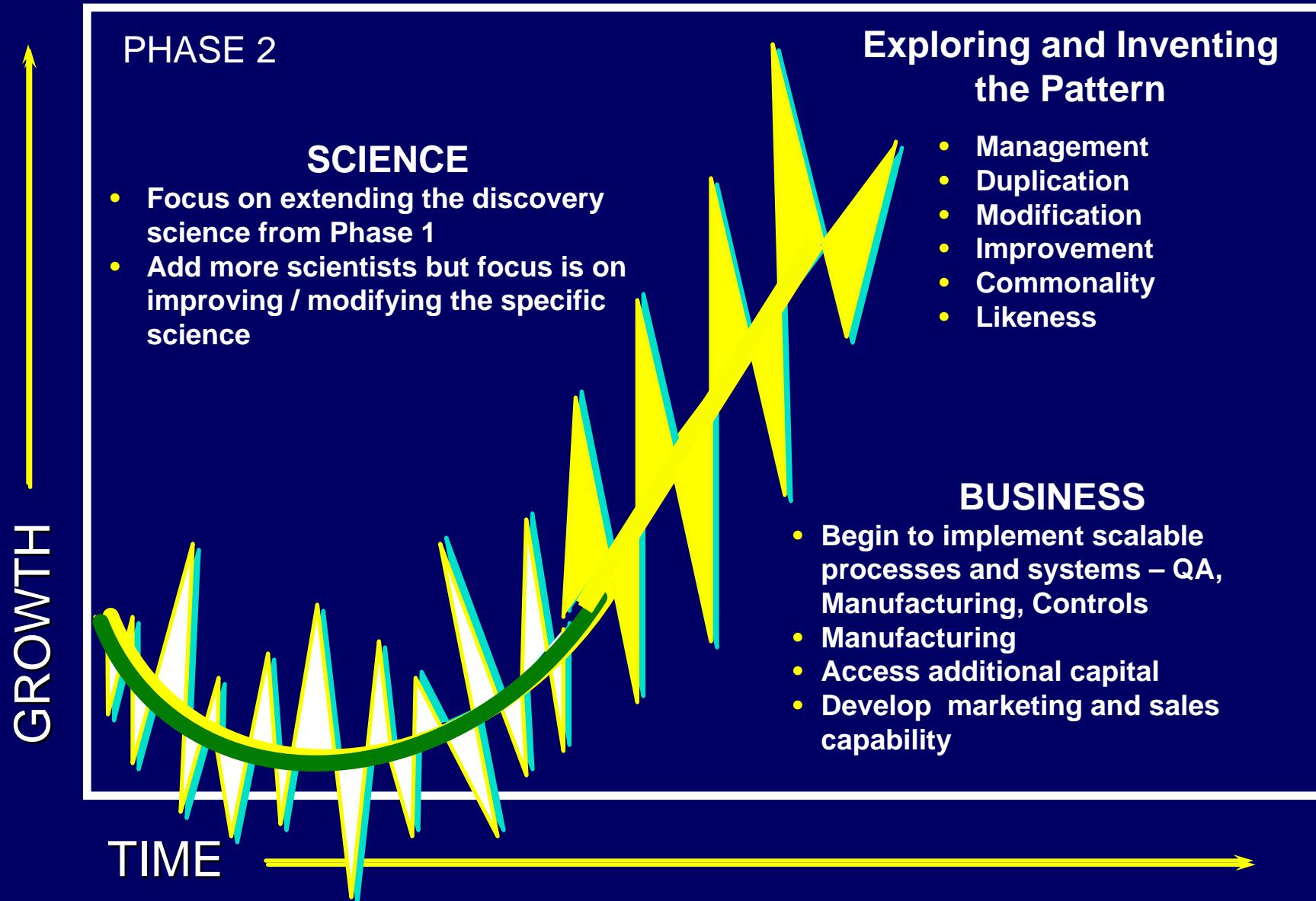
- Minimal management resources
- Access necessary capital
- Control and manage spending

GROWTH

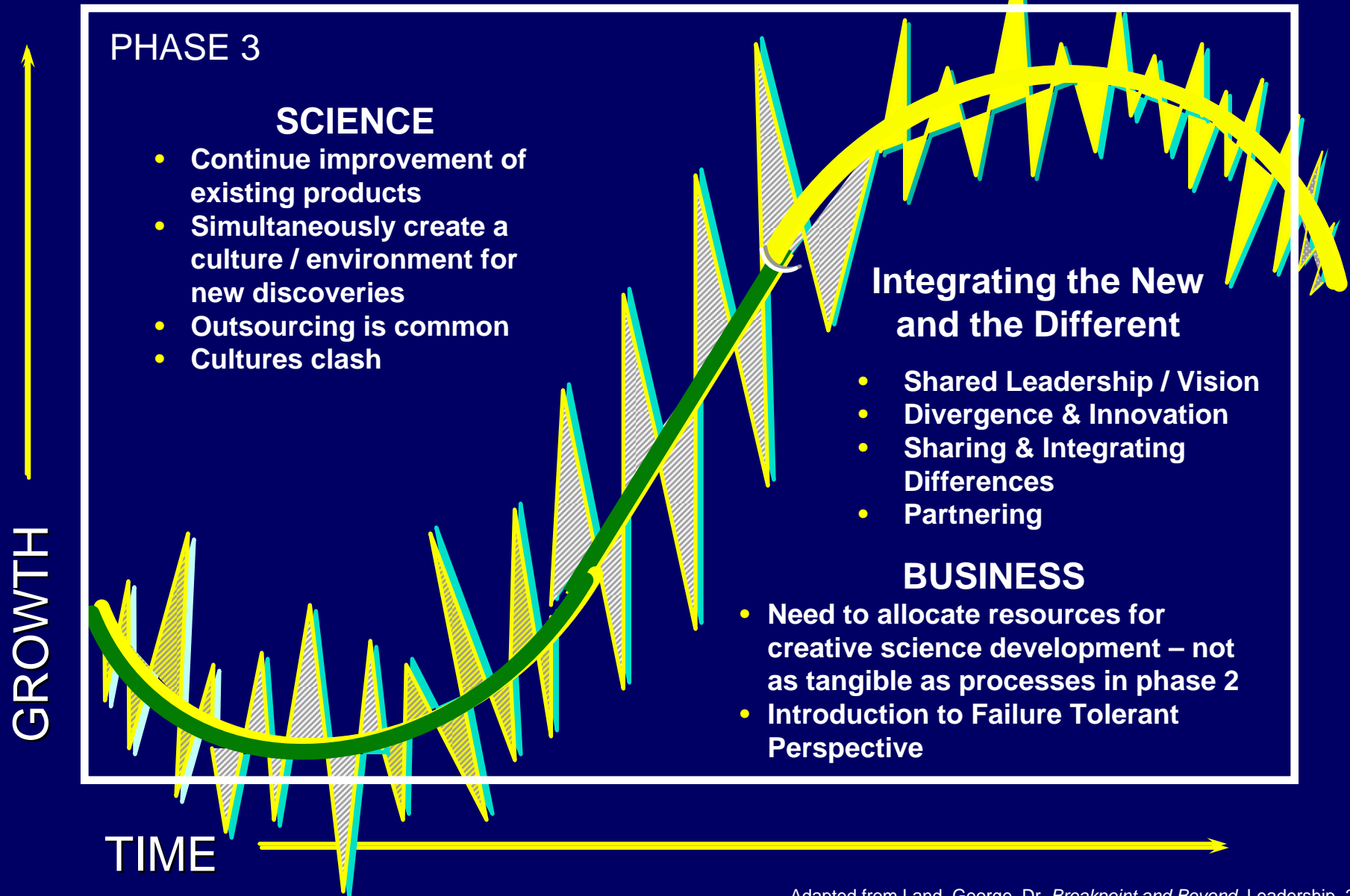
TIME



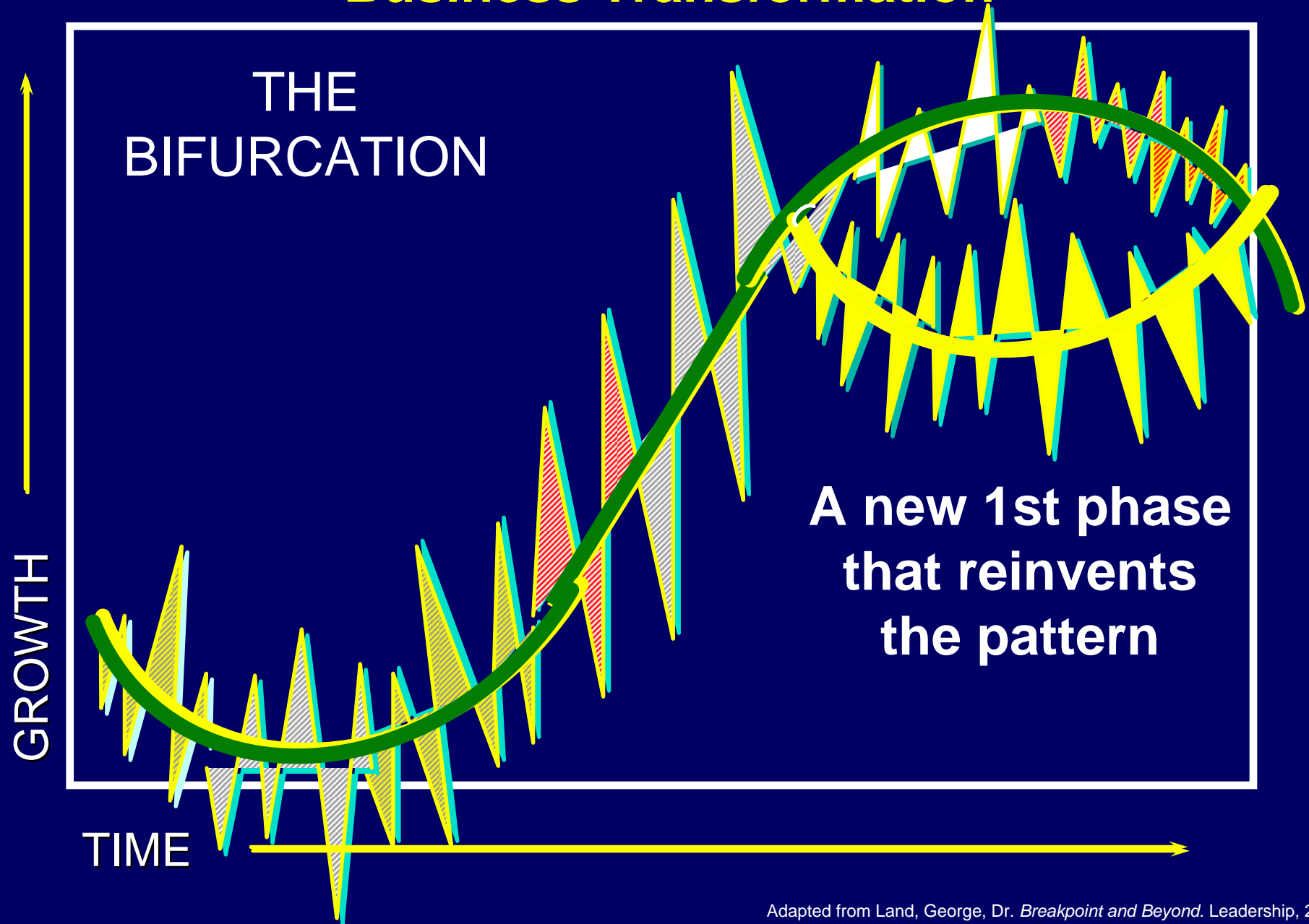
# Business Transformation



# Business Transformation



# Business Transformation



## Today's Discussion

**1. An Industry in Transformation**

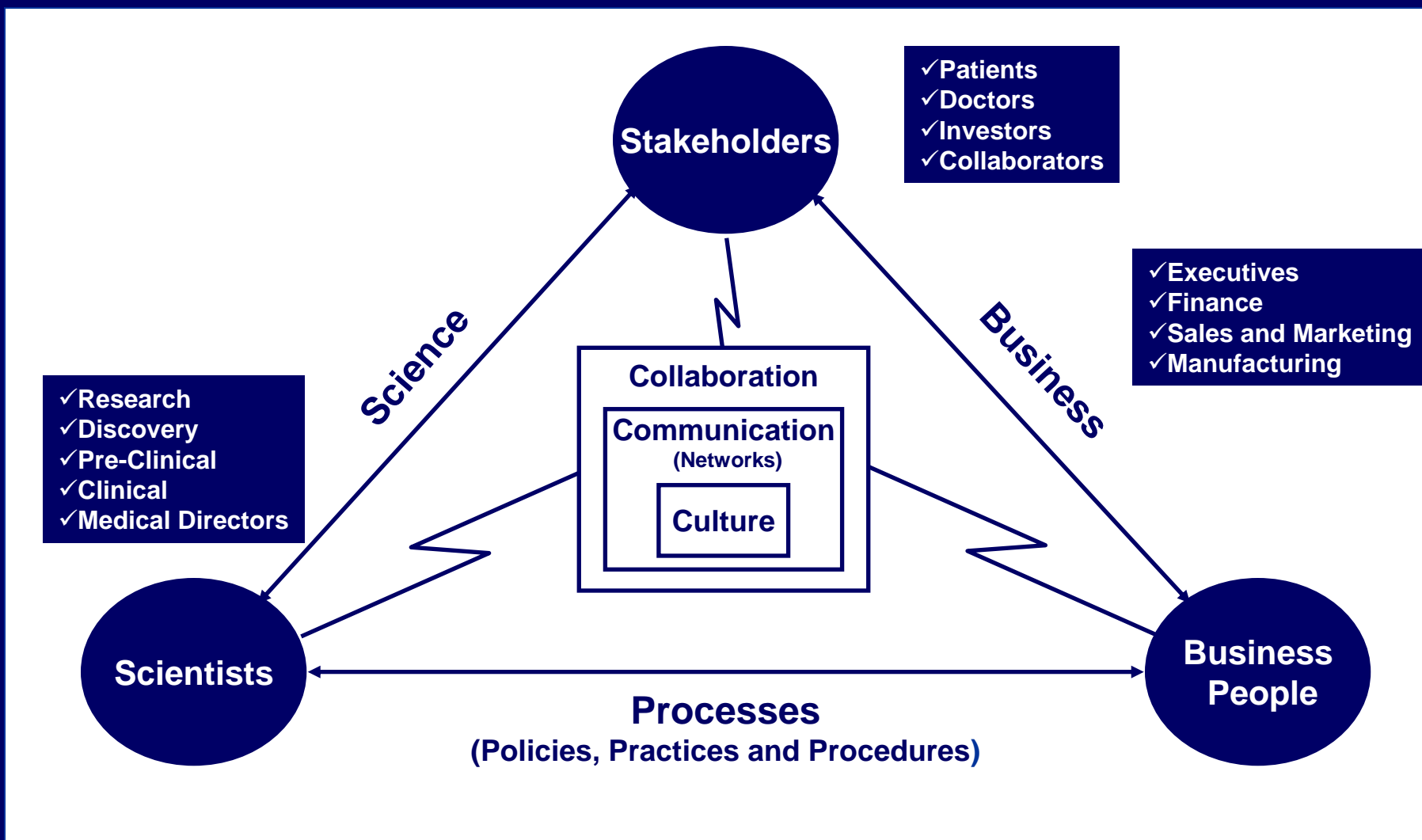
**2. Balancing Business and Science**

**3. Culture – Critical to Establishing the Balance**

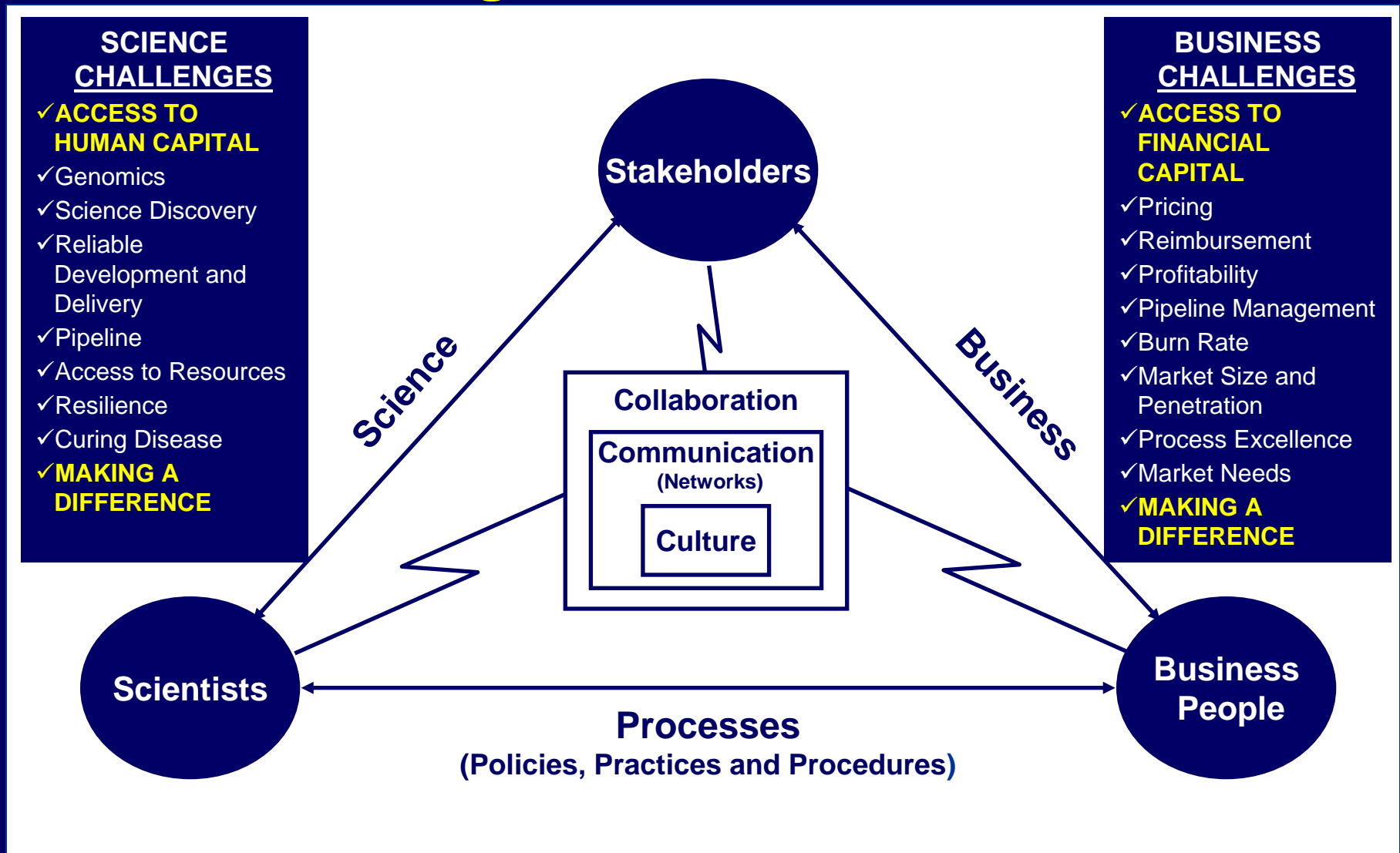
**4. Communication – Networking across the Organization and Industry**

**5. Collaboration – The Core Competency for Life Sciences Companies**

# Balancing Business and Science



# Balancing Business and Science



## Today's Discussion

1. An Industry in Transformation
2. Balancing Business and Science
- 3. Culture – Critical to Establishing the Balance**
4. Communication – Networking across the Organization and Industry
5. Collaboration – The Core Competency for Life Sciences Companies

## Culture – Critical to Establishing the Balance

**Long Term  
Research Projects**



**Accountability for  
Delivering Results**

**Maintaining a  
Failure-Tolerant Culture**

**Short Term  
Business Results**

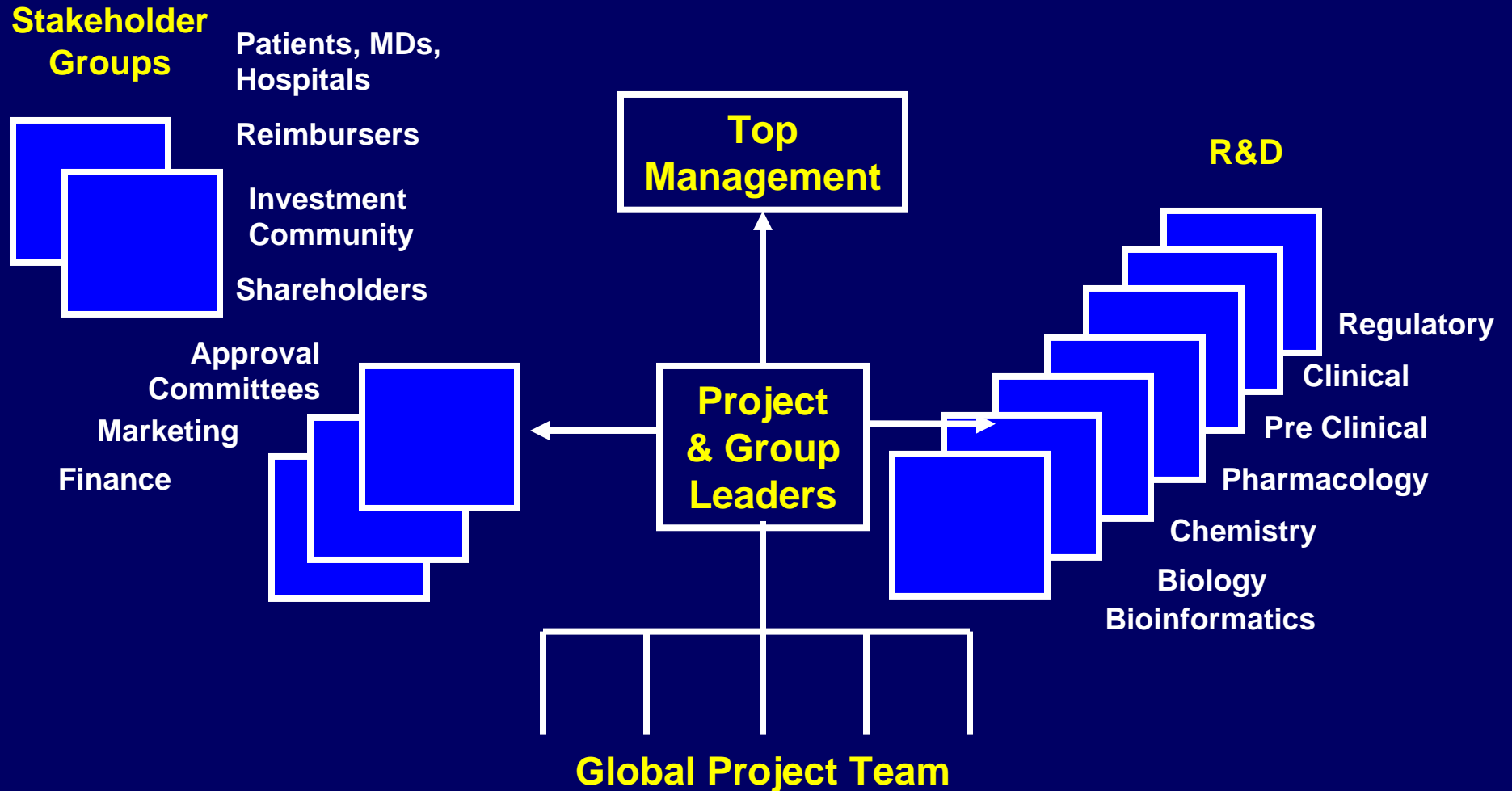
***How Do Organizations Maintain the Right Balance?***

## Networked Organizations

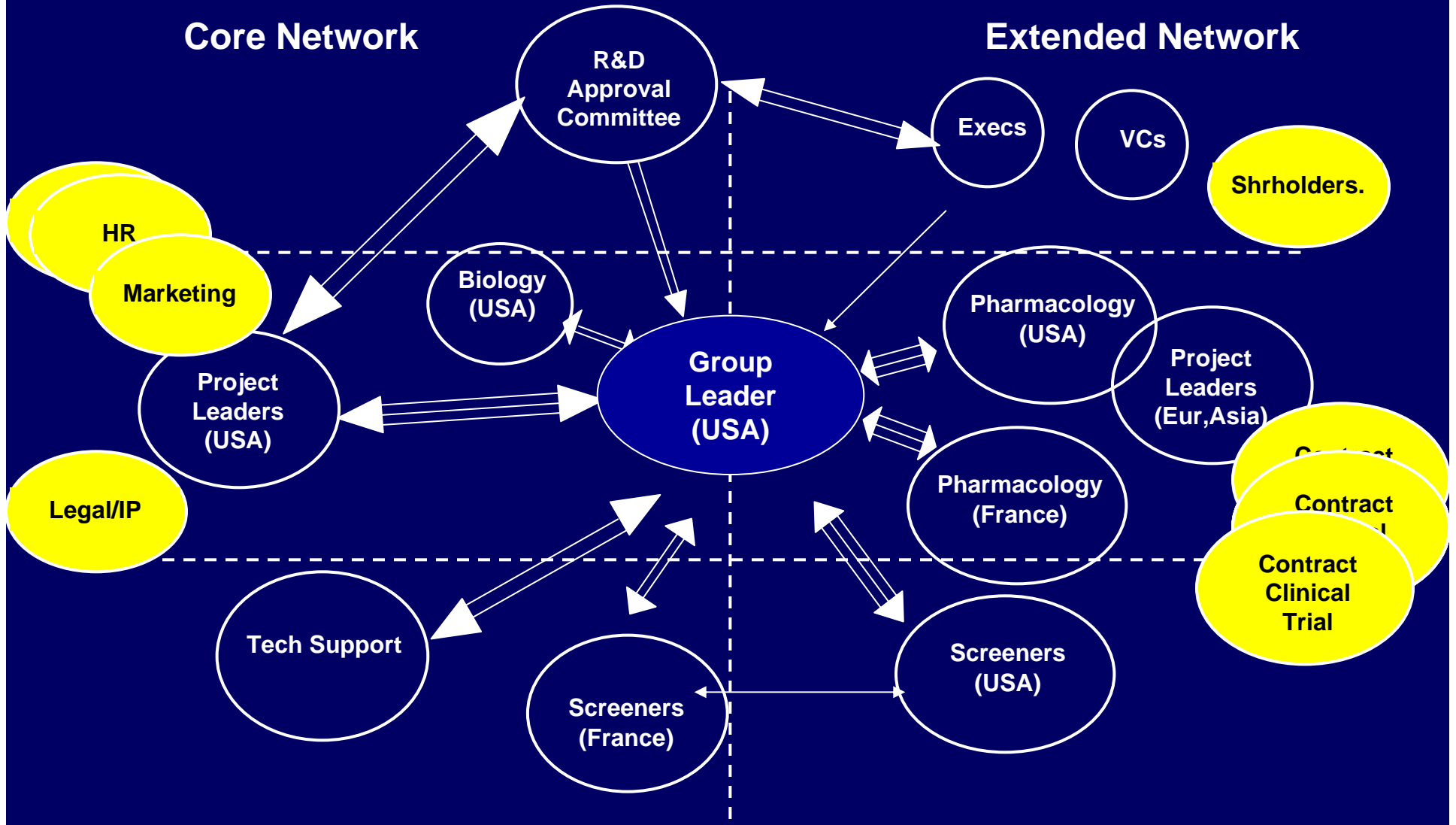
**Why are networks such an important consideration for Life Science companies?**

**“The networked organizational culture best suited to the computer industry is equally well suited to biotech.”** - *Mass Biotech Report*

# Traditional Organizations



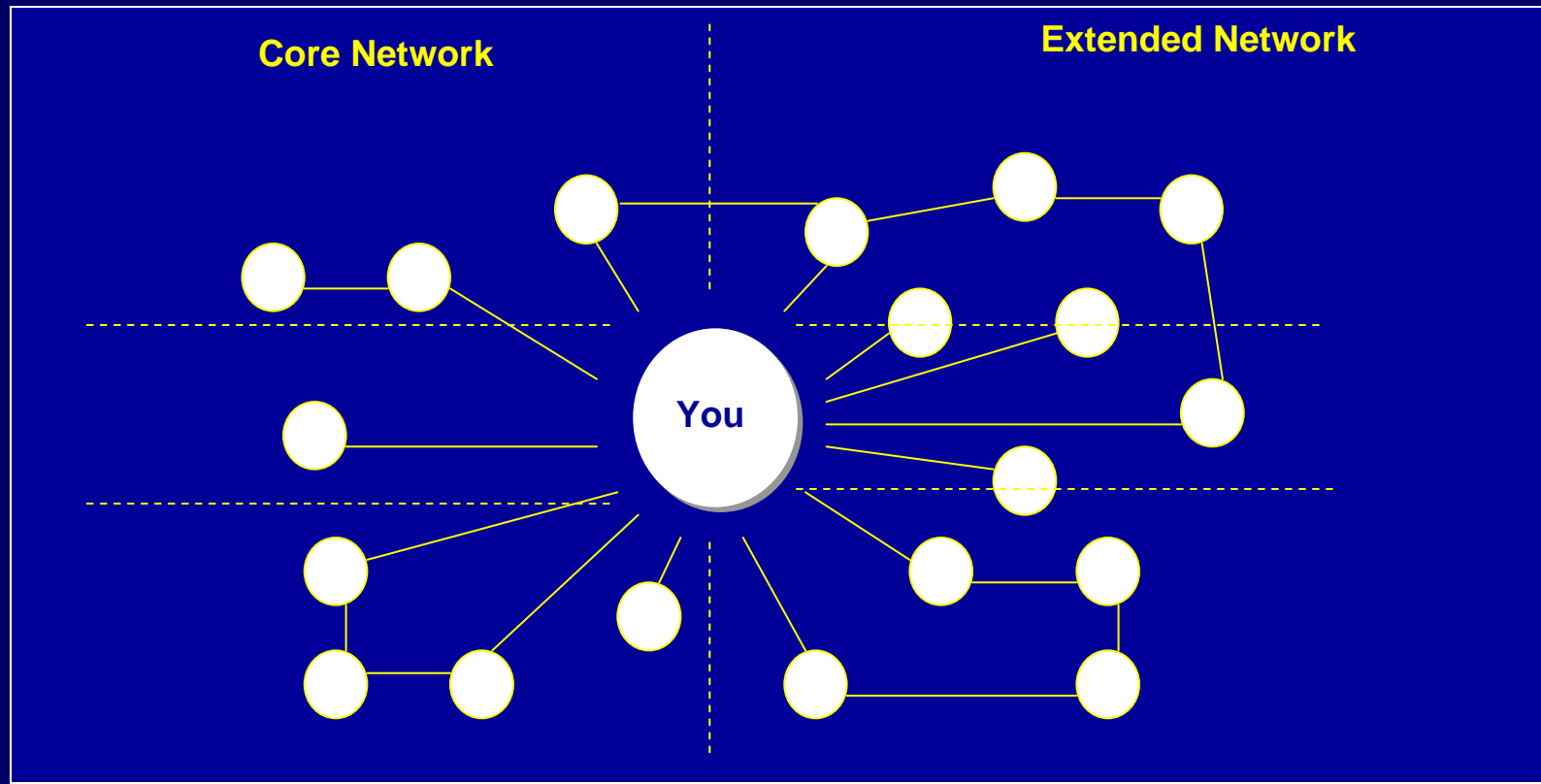
# Networked Organization



## Challenges of Working in Networks

- **Who is accountable for the output of the Network?**
- **How do you improve Network performance?**
- **How do you determine where the bottlenecks and breakdowns are?**
- **How do you fix them?**

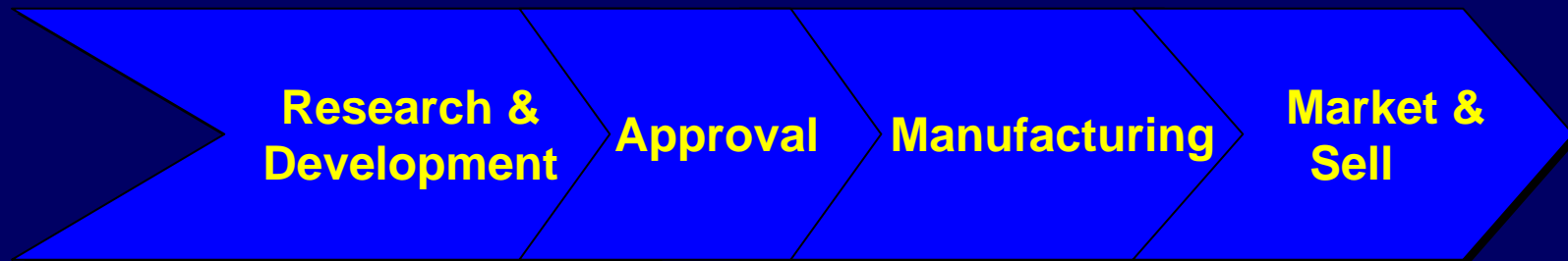
## Assessing Your Network



**What is the output of this network?  
How would you measure it – quantitatively?  
How would you improve the output by 30%**

# Collaborative Value Chain

## External



**Universities**

**Hospitals**

**Contract**

**Research**

**Hospitals**

**Doctors**

**Contract**

**Clinical**

**Trials**

**Suppliers**

**Contract Sales**

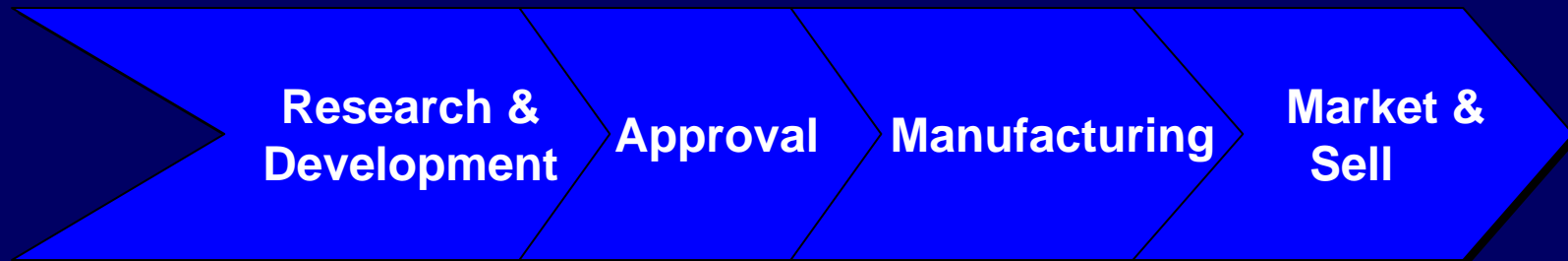
**Marketing**

**Partners**

**Licensees**

# Collaborative Value Chain

## Internal



Discovery / R&D

Pre clinical

Production

Sales



Clinical

Regulatory

Marketing



IT



Quality



Finance



# Collaboration Assessment

	<b>-5</b>	<b>+5</b>	
<b>Focus only on individual contribution</b>			<b>Focus on the end result</b>
<b>Protective</b>			<b>Sharing</b>
<b>Threatened, Suspicious</b>			<b>Trusting</b>
<b>Secretive</b>			<b>Transparent</b>
<b>Difficult to Work With</b>			<b>Easy to Work With</b>

**How would you assess your own organization?**

**How would you assess your partner?**

## Getting Started

- Use the *BBS Model* to assess your Life Sciences Organization
- Align key cross-functional and global executives by:
  - Educating on *Balancing Business and Science*
  - Positioning yourself on the business transformation curve
  - Linking strategies and tactics to achieve short- and long-term scientific and business results
- Perform network and collaboration assessments

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