

Managing talent in the Medical Affairs function

Creating value through a
strengths-based approach

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McKinsey & Company and Korn/Ferry International have been working with medical affairs executives from across the pharmaceutical industry to help solve their most pressing talent challenges. Since 2011, we have hosted summits of medical leaders and conducted individual interviews to arrive at a deep understanding of the talent gaps in the function and how they might be remedied. This paper captures the substance of those discussions and summarizes our suggested approach.

The pharmaceutical industry has seen major changes over the past decade. As market pressures have intensified and commercial practices have come under closer scrutiny, there has been a marked increase in scientific rigor across the industry. One consequence of this shift has been a renewed emphasis on the importance of the Medical Affairs function.

Pharmaceutical companies can respond to this development in one of two ways. They can ensure that their Medical Affairs function is good enough to address the changes and keep the rest of the organization compliant, or they can strive to develop a function that generates real competitive advantage. In an environment where reimbursement, regulation, payers, and other areas are experiencing rapid change, Medical Affairs units with a greater breadth of knowledge and depth of skills will be better able to maneuver through industry headwinds. A well-executed talent strategy that enables the function to attract and retain the right people can give a company a genuine edge over its peers.

However, using Medical Affairs as a source of competitive advantage will pose a considerable challenge for most industry players. As the function grew and shifted its focus, companies did not always ensure they had the right talent in place to meet new demands. What they need is leaders who can effectively engage with multiple stakeholders and senior colleagues. With the war for talent still raging in Medical Affairs as in other industry functions, finding and developing these leaders and ensuring effective succession planning will not be easy.

The solution is not to seek out individuals who can tick as many expertise and experience boxes as possible. Instead, pharmaceutical companies should first identify distinctive strengths and potential within their existing Medical Affairs leaders and then build, or fill out, a team with complementary strengths across multiple dimensions. They can then harness these skills to drive competitive advantage.

Rethinking the role of Medical Affairs

Pharmaceutical companies have traditionally viewed Medical Affairs as a support function, and one that sometimes acts as a brake on the more commercially driven parts of the organization. This perception has been exacerbated by information asymmetry: although the work of Medical Affairs in ensuring compliance, handling medical information, and generating medical evidence is intricate and data driven, it can easily look like a black box to those outside the function.

Another issue is the background of the people who work in Medical Affairs. When recruiting, companies have tended to look for physicians with clinical experience and medical knowledge, but not necessarily business acumen. They have seen the job as engaging physicians and researchers and focusing on medical marketing rather than being concerned with other stakeholders inside and outside the organization.

This view of the role of Medical Affairs no longer reflects the reality on the ground. Even as the pharmaceutical industry is going through a period of contraction, the Medical Affairs function is assuming new responsibilities and facing a wider range of expectations. For executives operating in this broader context, traditional medical backgrounds and capabilities are no longer sufficient for success. Medical affairs personnel must adapt to a host of external challenges, among them a sharper focus on risk management, the growing prevalence of chronic diseases alongside an increased industry focus on speciality and niche diseases, the emergence of new types of data, and finally a more difficult market access environment. Tackling these challenges calls for strong relationships with a broad range of stakeholders, including increasingly sophisticated payer, patient and advocacy groups.

At the same time, the traditional liaison role played by Medical Affairs is coming under greater internal scrutiny. Stricter codes of conduct with respect to interactions with key opinion leaders and physicians are becoming the norm, and more emphasis is being placed on the role of Medical Affairs as an independent bridge between research and development (R&D) and the sales and marketing organization.

Leaders in the industry are responding to these new challenges by making changes both within the Medical Affairs function and in the wider organization. For instance the head of clinical development at one major pharmaceutical company, notes that:

The role of a Medical Affairs exec has changed dramatically over the past ten years. The professional Medical Affairs person needs to have an ability to put processes in place as well as knowledge of the business. They need to understand business issues, science, and medicine, and must have the ability to assimilate a lot of knowledge and skills quickly.

When we look at successful leaders in Medical Affairs, we see they have certain key characteristics in common. First, they have the business acumen to use their interactions

with stakeholders to develop distinctive business-shaping insights. While bringing medicine and science to bear on critical decisions, they also collaborate skillfully with others on commercial applications, product development, and other areas.

Second, these leaders have moved from one therapeutic area to another to gain a breadth of experience and knowledge that is critical to their success. Many have moved beyond Medical Affairs and outside their home country, putting themselves in new situations that they have to master quickly in order to perform well.

Building new strengths

The bar is high for those who work in Medical Affairs. They need to collaborate with R&D staff and understand the science that underpins their work; they must understand the regulations governing the industry almost as well as their counterparts in the compliance and legal departments do; and they need the strategic thinking capabilities of their colleagues in marketing, as well as the customer interaction skills of their colleagues in sales.

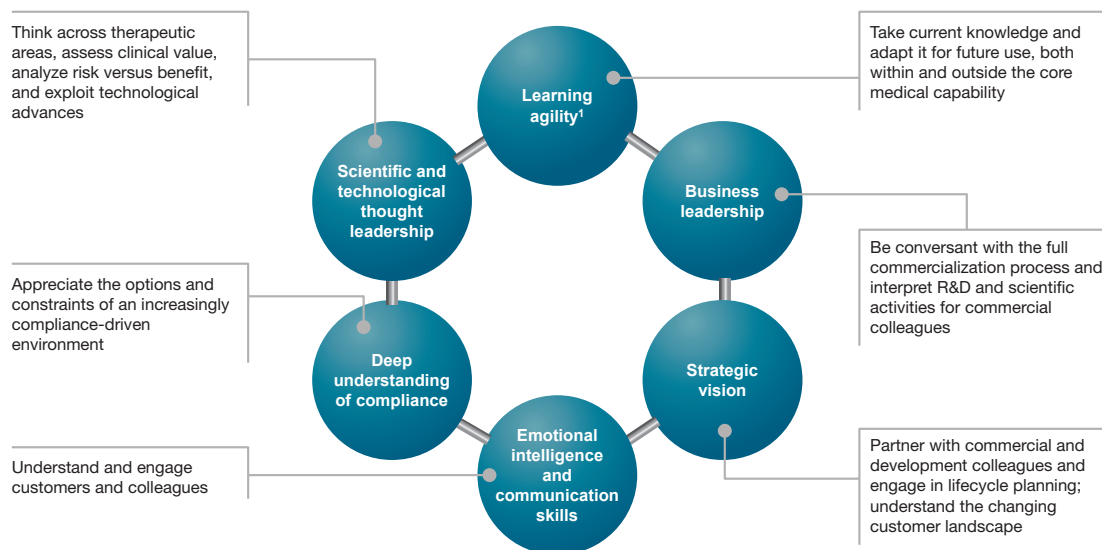
When companies are hiring people for this role, the key is to find candidates who not only meet a clinical and technical bar but also have true talent strengths—distinctive skills in particular areas that can be leveraged for sustained success.

Companies with smaller Medical Affairs functions should also seek strengths that match their specific portfolio and lifecycle needs.

So what types of strengths should Medical Affairs be looking for? We believe the main categories are these:

- **Learning agility.** People will not succeed on the basis of medical expertise alone. Learning agility – the ability to keep on learning and extrapolate accurately from what you already know – will mark out those Medical Affairs leaders who have the potential to grow and adapt as their job expands.
- **Business leadership and acumen.** Medical affairs executives of the future must be familiar with the entire commercialization process and with broader marketplace dynamics so that they can deal with other business leaders on an equal footing. At the same time, they need to be able to position scientific and R&D activities appropriately to commercial colleagues.

Building the right medical affairs competencies will be critical



¹ See Kenneth P. De Meuse, "What's smarter than IQ?," Korn/Ferry Institute, October 2011, at <http://www.kornferryinstitute.com/reports-insights/whats-smarter-iq-learning-agility-it-s-no1---above-intelligence-and-education>.

- Strategic vision.** Medical affairs strategists need to engage in lifecycle planning with commercial and product development leaders. This involves keeping Medical Affairs in sync with the rest of the organization and preventing needless divisions, wasted effort, irrelevant trials, and missed opportunities. They must be able to work effectively in matrix organizations by collaborating with cross-functional leaders and driving change without the reporting structure to impose it.
- Emotional intelligence and communication skills.** Medical affairs leaders must be able to grasp the underlying dynamics and nuances within an organization and between its people. They should be able to act as powerful advocates for their activities with fellow leaders inside the company and be adept at maintaining contact with an expanding array of external stakeholders through multiple channels including conferences and social media.
- A deep understanding of compliance.** Leaders in Medical Affairs must be able to operate effectively within the constraints of an increasingly compliance-driven environment.
- Scientific and technological thought leadership.** The Medical Affairs function must possess leaders who are conversant with the whole drug development process. They should be able to take multiple therapeutic areas into account when assessing clinical value and adopt an independent view when analyzing risk versus benefit. They must also be technologically savvy; an understanding of how to apply big data, for instance, will become more and more valuable.

Implementing a strengths-based leadership approach

Rather than expend energy searching for one person who possesses all these skills, companies can focus on hiring a group of leaders who cover the full set of skills between them so that the function as a whole is more successful. These strengths also provide a useful foundation from which leaders can develop, helping them to build confidence in the early stages before taking on challenges that stretch them.

It is crucial for companies to align recruitment with their overall strategy and areas of focus. For example, success in

Asia or Latin America will require talent strategies specific to those regions. As the head of Medical Affairs in Asia for one leading pharmaceutical company notes:

The one thing I have learned in setting up a Medical Affairs function in Asia is that leadership, content knowledge, and capabilities need to be assessed and reassessed regularly. Someone new in the role will face all the complexities that they confront in a western company but layered with a rapidly changing business environment.

Developing, managing, and retaining distinctive talent will be critical, and difficult. Performance management and succession planning must be taken seriously, which means training, building, and investing in core leadership competencies that leaders may not have acquired in the current clinical environment. Companies will need to:

- **Ensure that current leaders act as role models.** They should serve as guides in formal mentoring schemes and be encouraged to provide coaching that will get individuals, teams, and the entire organization to perform at a higher level.
- **Develop the skills and behaviors needed in Medical Affairs.** These include strategic thinking, basic commercial skills, cross-functional collaboration, teamwork, and scientific leadership. Before truly capable leaders can emerge, mindsets will need to move from a purely technical focus to embrace stronger people skills, with the emphasis shifting from leading projects to leading people.
- **Formally rotate leaders through countries and functions.** Companies should assign talented leaders to new areas that build on their strengths so that they are comfortable at the start of their journey yet have room to grow. Flexible career paths will help to attract and retain top talent, and career trajectories should be explicit for all team members. People should be encouraged to take on “safe” risks by leading regional or global initiatives or making lateral moves into commercial or R&D roles.

Coordinating an industry-wide effort

Although most improvements in Medical Affairs talent are likely to stem from internal efforts, opportunities do exist for leaders to join forces to tackle some of the tougher challenges together. Companies can take part in industry-wide initiatives to improve standards and capitalize on scale.

Collaborations can benefit all pharmaceutical companies by raising the profile of Medical Affairs and developing the talent pool for the good of all.

Industry players could work together to define common standards for Medical Affairs leaders and for the main functional roles such as medical directors, medical and scientific liaisons, and medical information specialists. They could also promote the development of industry-wide training schemes or accredited university courses to cultivate the skills Medical Affairs staff need, such as cross-functional collaboration, teamwork, and scientific leadership.¹

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Companies face a choice in their approach to Medical Affairs: should they be satisfied with a function that meets their basic needs or commit to making it a genuine source of competitive advantage?

To excel in Medical Affairs, companies need a wide range of skills. As a result, their best route to competitive advantage is to adopt a strengths-based leadership approach that identifies the distinctive talents they need and seeks to foster these capabilities among individuals and teams.

As the changes that have taken place in Medical Affairs over the past decade continue to make themselves felt, we expect an even more complex environment to evolve. In such a setting, it is important for companies to assess individuals’ learning agility, since their potential to perform in areas beyond their immediate experience will be a sign of future success.

A strong Medical Affairs function naturally depends on a company’s ability to attract and develop the right talent. It should undertake this task with an eye to its broader strategic priorities and organization: its overall focus, its structure at business unit and country level, its formal training programs, and its performance management systems. By doing so, it can start to build a dynamic, multi-faceted Medical Affairs function, and create the conditions for individuals within it to grow and succeed.

¹ A number of universities in Europe and the US offer postgraduate programs accredited by IFAPP, the International Federation of Associations of Pharmaceutical Physicians. Many of these programs include formal internships at pharmaceutical companies.

About McKinsey and Company

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About Korn/Ferry International

Korn/Ferry International is a premier global provider of talent management solutions, with a presence throughout the Americas, Asia Pacific, Europe, the Middle East and Africa. The firm delivers services and solutions that help clients cultivate greatness through the design, building and attraction of their talent.

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