

An Executive Recruiter's Perspective on Hiring for CRO, Pharmaceutical, and Biotechnology Companies

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Pharmaceutical Companies

Executive search practices in the drug development arena are often driven by change in the boardrooms of pharmaceutical companies; other changes are brought about by government mandate and regulation. Recent trends in the industry, led by large pharmaceutical companies, reveal some significant shifts in thinking at executive levels. Several leading pharmaceutical companies have introduced new, innovation-centered methodologies. As a result, recruitment service providers must find qualified talent who take reasonable risks and challenge the old methods.

Companies that provide executive search services must stay alert as new methodologies for managing drug development find favor in the ranks of upper and middle management. Candidates for management and executive positions need to match the specifics of the cultural and process atmosphere of the prospective employer. As the pharmaceutical industry is re-engineering its strategies and tactics, search firms are rethinking their own recruiting and sourcing models. Current methods of prequalifying may include consultative, integrated management, and functional service models. Recruiters should also prescreen for experience with offshoring (particularly in data sciences) and the use of various technologies. In addition, a strong working knowledge of financial and legal practices is even more critical in light of the Sarbanes-Oxley Act of 2002, which Congress passed to establish standards for public companies as a result of corporate scandals.

Contract Research Organizations (CROs)

CROs whose pharmaceutical service deliveries are both specialized and global are often viewed more favorably as expert providers in a given therapeutic indication. This “best versus biggest” offering meets the demands of new thought leaders who endeavor to achieve timeline, pricing, and quality objectives. The idea of the mega-CRO pitching the “end-all, be-all” approach appears to be falling out of favor with clients and sponsors. A focus on quality in the form of

Six Sigma or other initiatives is an attractive selling point for large pharmaceutical companies with strong quality commitments and complex infrastructures.

In general, executive search firms identifying candidates for CROs include yet another set of parameters when identifying and prequalifying candidates. CROs, whose main function is to deliver pharmaceutical services, are often perceived as the “boot camp” of the industry. Candidates being sourced for CROs may bring a certain clinical research skillset to their new organization; several years later they possess a broader spectrum of experience, having been exposed during that time to a variety of therapeutics, indications, and geographies. They become far more valuable as candidates because of the far-reaching experience provided by working for a CRO versus the more “siloe” approach typical of large pharmaceutical companies.

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Progressive CROs, while proposing and bidding on multiple drug studies simultaneously, keep talent acquisition at the forefront of their focus, especially since their staffs are a prime target for search firms. CROs without the resources for multiple office locations are moving toward employing regional, home office-based clinical research professionals with solid experience and maturity. This trend allows greater latitude for search firms, as shortages in certain clinical disciplines continue. Advantages to using home-based professionals, aside from attracting quality talent, include:

- greatly reduced travel expenses for the CRO and the client or sponsor,

- shortened travel time (especially for monitors),
- decreased costs of renting commercial office space, and
- heightened employee retention.

As patient recruitment becomes more challenging, having staff in various locations—on both the domestic and global fronts—is another benefit of using home-based professionals. Search firms recruiting for CROs are willing to use a ratio of direct (corporate) and contract employees to pull study teams together.

CROs benefit by being able to move talent easily from one study to another as studies come to an end. In many cases, search firms can realize fees for converting these contract employees to direct employees of their clients, providing an employee who can hit the ground running. Paying attention to sourcing and identifying candidates must go hand in hand with provisions for education, the work atmosphere, and any expectations for employees that are inherent in the CRO business model.

One of the more recent trends within CROs is the growth of the functional outsourcing model, which is a variation from full-service delivery that allows pharmaceutical companies to engage the CRO for only a segment or portion of a study. The framework of the functional service model provides the client with clinical teams that have management oversight, but the client maintains responsibility for deliverables associated with submission and approvals for new drugs. Executive search and clinical research staffing firms now feature hybrid offerings of functional staffing models as a result of client demand. This has created a new competitive base for CROs that rely on the experience and quality of managers who often come from large pharmaceutical companies.

Biotechnology

Improved technology, increased options for outsourcing services, and a heightened demand for faster turnaround have changed the landscape for clinical executives in the biotechnology segment of the industry. One aspect of the industry that

has not changed for either large pharmaceutical or emerging biopharmaceutical companies is the demand for in-house clinical executives to guide the clinical development of their respective pipelines.

The requirements for clinical executives in emerging biopharmaceutical companies pose certain challenges. In addition to strong experience with the clinical development process, flexibility and the ability to “wear many different hats” are critical. Often, the executives find themselves facing tight budgets and minimal internal administrative and clinical support staff. They must manage multiple products in diverse therapeutic areas at various stages of development. This scenario requires executives to manage multiple specialty vendors and meet with colleagues in regulatory, biostatistics, commercial, and executive teams. While covering all of those bases, they might also have to tap into their entrepreneurial spirit and get involved in essential, and sometimes mundane, tasks with which a member of a larger organization might not need to contend.

Successful candidates for such executive roles also need to be armed with industry experience and knowledge of the clinical development process. In the vast majority of cases, small companies do not have the resources or time to hire someone directly from a clinical or academic role and give them on-the-job training. Recruiters who spoke with former large pharmaceutical clinical executives who made the transition to smaller, more entrepreneurial companies report that having clinical development experience and perspective is key.

Another important consideration—probably the most difficult to assess when examining potential clinical executives for an emerging biopharmaceutical company—is a candidate’s motivation and ability to handle adversity. How will a clinical executive react to a major setback to the company’s pipeline? How will he or she lead the team and staff through disappointing news? Answers to these questions are crucial when considering such an important member of a small team.

Behavioral interviewing techniques are a critical component of identifying candidates for biotechnology opportunities; they emphasize past performance and responses to hypothetical scenarios. A candidate is asked not only how he or she *would* react, but also for examples of how he or she *did* react. Some additional behavioral interviewing techniques include asking leading questions, avoiding theoretical and “yes or no” questions, and finding out the “why” behind actions. The goal is to examine past behavior to predict future behavior as it applies to the specific position and company in question.

Size Does Matter

Big pharma clinical executives need people with “big organization” skills, such as strong communication, political savvy, patience, and a “big picture” understanding of their role in the company’s efforts. Two good litmus tests are:

- Can the individual operate in a large system that has defined roles?
- Can the individual navigate through a complex organization with diplomatic persistence to see a project to completion?

The most senior clinical research executives will be called upon to meet with executives on long-range planning. Strategic vision, an understanding of the therapeutic market, and strong presentation skills are absolute necessities for success in this environment.

Clinical research executives in smaller organizations also need the ability to multitask, to be hands-on, and—for clinical executives—to be able to switch gears between the bird’s eye style of managing the whole operation from a macro perspective and the ground-floor style of grooming individual members of their staff for new duties at the micro level.

Clinical executives who are looking to further their careers in the industry will find big pharma a great platform for learning the most about the drug development business. The large organizations usually provide an established structure and have experience in transitioning and

developing people with scientific, clinical, and academic backgrounds. Also, success in large pharmaceutical organizations is based not only on one’s competence, but also on one’s ability to maneuver politically while building strong teams.

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Useful lessons can also be learned in small, publicly traded companies, where clinical development executives are under a microscope concerning material information that must be closely guarded because it can affect the stock price of the organization. In small organizations, executives need to know when to outsource and how to manage the work. In all environments, whether emerging biopharmaceutical, mid-sized, or large pharmaceutical, the clinical development executive must be familiar with the regulations and the cultural distinctions in the U.S. and Europe and, increasingly, in India, Japan, China, and Latin America.

As the executive search field evolves, one emerging practice focuses on providing interim executives to clients. Interim executives are poised to bring objectivity, maturity, and experiential depth to the existing senior management teams they are assigned to lead. Their fresh perspectives can be invaluable, often providing not only leadership, but value-added consultancy. The recent spate of Baby Boomer executives moving into retirement could help to increase the demand for interim executives.

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whole, it seems clear that the quest for proven executive talent will increasingly drive competition for a finite talent pool. As a result, the industry should experience a crossover among the types of executive-level candidates who will lead the industry into the future. Top CRO and biotech talent are already actively recruited to fill key roles in leading pharmaceutical companies. This should address the shortage of executive talent predicted for the near future.

In summary, recruitment providers will need to reconsider strategies associated with delivering services to the pharmaceutical industry. Recruiting firms will need to establish close working relationships with clients, including involvement in the stages as early as the formulation of the job description. Frequent feedback will be critical, as changes often occur in the middle of the search, based on shifting initiatives and client needs. **ACRP**

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