

Breaking Barriers TO INNOVATION

Innovation is hard; harder yet, is breaking down the barriers that constrain a company from moving the needle.

John Hall, a contributor to Forbes, identified 10 barriers that companies should remove to enable their employees to take their company into the future. These include: closed-mindedness, traditions, jealousy, money, generational differences/age, communication, size, education, thought leadership, and resources.

Insigniam identified three constraints that limit innovation: corporate gravity, corporate immune system, and corporate myopia.

Shideh Sedgh Bina, co-founding partner of Insigniam, says corporate gravity is the pull, or direction, that everything in the organization pulls toward.

“In some cases, the pull is budgetary and financial, in other cases it’s toward the ideas that float to the top, and in yet other cases it’s the pull toward analysis until there’s paralysis,” she explains. “A new concept or thought can be killed off in the flow of gravity if it doesn’t fit in.

“The second constraint is the corporate immune system,” Ms. Bina continues. “There are processes, procedures, practices, and even conversations that can kill off any new idea that’s introduced into the system because it’s seen as a potential threat. We’re all familiar with the

common statements, such as ‘Oh, we tried that before, we’ve done it before,’ but then there are others such as, ‘The FDA will never accept that, that won’t pass the regulatory process, or senior management won’t allow us to do that.’ Or it could be the processes a company has in place for how an innovation gets selected that are too confining.”

The third force that she says kills off innovation or the ability to create new value is corporate myopia, in which there is tyranny of the present over the future.

“This is the focus on today’s challenges for today’s customers and today’s markets as opposed to having a disciplined approach to think outside of current markets, current problems, and current customers to a second horizon, which might have different customers, or different services that are adjacent to where a company is. True transformational innovation is being able to think in what we call horizon three, which is inventing markets and customers that don’t yet exist.”

In her experience, Ms. Bina notes that a company has to have a culture that has a leadership mandate and an infrastructure to support innovation.

“Innovation can’t be handled ad hoc; there

needs to be an actual home for innovation with a proprietary process — with resources, people, and pathways — that builds on the strengths of the organization,” she says.

According to Ritesh Patel, executive VP, chief digital officer, Ogilvy CommonHealth Worldwide, in addition to parochial thinking, the other factor that stops companies or organizations from being innovative is the “not invented here” syndrome.

“Companies are so accustomed to a culture of drug discovery that they don’t stop to look at what other companies are doing,” he says. “For example, right now the belle of the ball is IBM Watson. Everybody wants to partner with IBM Watson because it’s a big company doing some interesting things. But IBM is just one company doing great stuff. There are about 200 other companies doing some very cool things that could change the way drug discovery and development are done. The idea that ‘we didn’t invent something,’ gets in the way of bringing a person or a company in to help innovate in an organization.”

Melinda Richter, head, Johnson & Johnson Innovation JLABS, says one of the biggest hurdles to innovation for smaller companies is the large investment of time and money required just to get to a proof of concept.

“Innovators have great ideas but need the platform of infrastructure including labs, equipment, operational and business resources, and commercialization experience to make it work,” she says. “We started JLABS to take down the hurdles that prevented emerging science and technology from reaching the people who needed it. Our goal was to enable innovators to move their ideas forward.”

At JLABS, small companies gain access to many of the benefits of a big corporation within a capital-efficient, entrepreneurial, high-energy, think-tank environment.

“The flexible platform allows companies to get up and running quickly by providing access to state-of-the-art facilities, including core research labs filled with equipment; flexi-



Companies are so accustomed to a culture of drug discovery that they don’t stop to look at what other companies are doing.

RITESH PATEL
Ogilvy CommonHealth



CHRISTIE ANBAR
Managing Director,
Chamberlain Healthcare
Public Relations

Bureaucracy and fear can cripple innovation. Organizations need to be nimble and flexible and empower people at all levels to ideate and innovate. People can't fear making a mistake; they should be encouraged to try different things and take appropriate risks.



ANN BAKER
Consultant,
Charles River
Associates

A corporate culture that penalizes failure is a toxic environment for innovation. Those companies that do best fail well and fail fast — they learn lessons and extract kernels of value from failed projects that go on to inform other opportunities and creative endeavors. Increasingly today, innovation is conducted in a more open and virtual environment that creates a range of new challenges for organizations. Success is most often impeded by the persistence of a not invented here culture that limits the energy spent seeking innovation externally and, when it is found, judging it harshly compared with innovation from internal sources.



ADRIENNE BROWN
Business Analyst-IT
Digital and Mobility,
UBC

Organizations should allow innovation to grow. Because it takes time to develop new ideas and to be creative, it may take years before an initiative is developed. If there is not an immediate

return, and, if C-level executives do not buy in to the vision, innovative initiatives can stop before they are started. Additionally, innovation requires a dedicated team of people: it has to be more than (yet) another task a person has to complete over the course of a year. Effective innovation requires dedicated time, space, and personnel.



RIC CAVIERES
Principal and
Life Sciences
Commercial Leader,
EY

Organizations hesitate to be innovative because of a failure of leadership and a culture of fear. To innovate is, by its very definition, to do something new. Innovation is thus hard and takes individual and collective courage. It is far easier to follow the status quo than to challenge it. Only organizations that embrace calculated risks and actively encourage and promote new thinking will innovate.

ROBERT CHU
Senior VP,
Technology Solutions,
IMS Health

The major constraint we typically see is organizational-based, meaning instances where silos drive a cultural resistance toward innovation. For example, product innovation is only valid if the pharmaceutical company is able to convince the payers and regulators to set a reasonable price and reimburse for the drug. Therefore, R&D leaders should — very early in the process — work with their pricing, market access, and commercial colleagues to understand payer willingness to fund, which is a combination of scientific proof of value, competitive positioning, real-world patient dynamics, and healthcare economics considerations. This requires a different operating model, where the R&D and commercial

sides of the organization collaborate much more than they currently are, and in earlier phases of drug development. Today's current organization, where R&D is fully separated from the other parts of the company, makes this very difficult to occur. Another example would be on the commercial side, where fragmentation of customer engagement channels, including sales force face-to-face meetings, e-detailing, and multichannel marketing campaigns lead to ineffective and disjointed customer experiences. There is a need to break down organizational silos between sales and marketing for better orchestration of engagements and insights.



ANDREW DUNNING
Senior Director of
Marketing, Life Sciences
Practice Fusion

For many pharmaceutical companies, the fear of leveraging technology and health IT are causing them to take a wait-and-see approach. This back-seat approach is contradictory to the innovation the pharmaceutical industry has been bringing to healthcare for decades. The ongoing decline of sales representative access to doctors highlights how important health IT and EHRs have become to messaging and educating providers about various therapies. And, the analysis that can be done on de-identified, HIPAA compliant real-world data that are being generated every day provides a new contextual view into how a therapy is actually being used in the market.

GREG FRIEDMAN
Senior Director,
Organizational Development,
Parexel

The wrong processes, structures, metrics and

ble, turnkey modular wet lab units; operations teams that handle daily facilities, equipment, safety, and operations activities; and a business services team to provide support as the company matures — all as a flexible, no-strings attached arrangement," Ms. Richter explains. "Through JLABS, we are able to provide the equipment and assistance to the day-to-day in-

frastructure and administrative tasks, allowing companies to focus on what's most important, the science."

Wendy Mayer, VP worldwide innovation at Pfizer, says in her experience the biggest barriers are a focus on near-term business results, which cause teams to stick with the tried-and-true or low-risk ideas that can have

an impact in the short term; a lack of reward or recognition for the additional work and bravery it takes to advance new and unproven concepts that creates a lack of incentive; and the inability to extract value from failure, which leads to many companies losing the ability to learn from their mistakes, which is essential to development of innovative ideas. **PV**

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rewards are all obstacles to innovation. However, the wrong culture — the unwritten rules that define what employees do when no one else is watching — is the biggest constraint limiting organizations from being innovative. Organizations that plan and strive for a culture that supports innovation have greater success with executing on new creative solutions. Parexel's high performance culture reinforces employees to take individual accountability and initiatives as well as to voice their ideas. Additionally, this approach encourages teamwork. The end result is an engaged workforce that collaborates to achieve maximum results, continuous improvement, and innovative ideas and solutions.



BRENDAN GALLAGHER
Executive VP and
President of Oncology,
Digitas Health

The biggest constraint is corporate gravity. Corporate gravity is a very real force that works against change. It's a force that pulls the unfamiliar into the familiar. As human beings, we are wired to think in terms of patterns and repetition. People aren't wired to embrace change and that is a huge barrier to innovation. Innovation is something that we all need to work at — change is inevitable so you might as well embrace it. Success is another barrier to innovation. The second we succeed at something, we tend to not push ourselves further. We rest on the laurels of that success and it stymies actions to go to the next place we need to go.



KENT GROVES
VP, Strategy,
Merkle

Probably the No. 1 impediment to maintaining an innovative environment is corporate complacency, or as it is often called, strategic inertia. Namely, that feeling that a company can do no wrong, and that its current success or business model will continue to

meet the revenue requirements of the organization. While it is important for companies to always revel in success, continued focus on developing what the market thinks it needs, and what it doesn't know it needs — for example healthcare professionals and patient experiences across channels — are the keys to maintaining a healthy, innovative environment and culture.



CYNTHIA LACONTE
CEO, Dohmen Life
Science Services

The biggest barrier to innovation within any organization is fear. It's scary to imagine risking the known for the unknown. And it doesn't help that the human brain is wired to prefer short-term reinforcement over long-term rewards. If you have a business that pays the bills today, most people are unwilling to step back and imagine how a new model might offer improvement over the old. The key as a leader is to institutionalize innovation. By making it an expected part of how you operate, you make it feel less scary. Good leaders make the unknown feel known.



JOHN MARCHESE
Managing Director,
Sudler New York

Quite simply, the biggest constraint is the fear of letting go of the current day. Many organizations spend time chasing the day versus thinking about the future. This is rooted in a fear of walking away from what's most important today to address an unknown in the future. For an organization to successfully adopt innovation, it must first commit to making hard decisions against the current day to address it appropriately once and for all. Once those decisions are made, the organization must then embrace a sense of fearlessness toward exploring and rewarding not just innovation, but the learning and adapting that comes from experimenting with it.

KURT MULLER
Chief Innovation Officer
PulseCX

Zig Ziglar, a great motivational speaker, summed up



a psychological constraint this way, "The fear of loss is greater than the desire for gain." Meaning the tendency to avoid innovation, the fear of failure, outweighs the risk of experimentation and greater rewards. How many times have you heard, "Well that's not the [insert company name here] way." Another constraint is the absence of defining what good looks like. When transforming a salesforce from feature/benefit sellers to customer experience (CX) managers, for example, good might include increased access to health professionals, increases in new prescriptions and refill prescriptions not because of a drug's features, but because the experience empowers the office staff to reduce the time spent on prior authorization processes and insurance hassles.



JIM MUNZ
VP, Innovation,
ERT

Historically, investments in innovation within the pharmaceutical industry have proven risky and unsustainable with many perceived constraints defined by the misinterpretation of regulatory requirements. Personnel and project funding are likely required to be insourced and confidential, removing any option for collaboration with external experts or research sharing. The way for successful innovation is through collaboration, which allows resources and experts across the ecosystem to share the right perspective in order to develop approaches that can meet regulatory rigor while still moving new technical and data driven approaches forward as part of the clinical trial.



JIM NICHOLS
VP, US Operations
and Life Sciences,
Dita Exchange
CEO and President,
IRISS Forum

Companies are faced with challenges and constraints related to innovation every day. If you define innovation as doing

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something to effect significant positive change, you must then be ready to define the terms significant and positive. In other words, innovation requires investment from the organization and most — if not all — investments are expected to have some kind of return — usually a financial return — on that investment.



MICHAEL O'GORMAN
Executive VP,
Clinlogix

We believe that there are three leading innovation constraints in the clinical environment: funding, all innovation requires an investment; fear, individuals generally fear that change may lead to failure; and regulation, in the highly regulated healthcare environment, companies are conditioned to take a conservative approach to solving problems. We believe as an innovation partner, we must provide cost-effective solutions and demonstrate our track record of innovative clinical support and regulatory success.



MARK PENNISTON
Executive VP, Clinical
Analytics, and General
Manager, Chiltern

The belief that innovation can cause an organization to spend too much of its assets on expensive processes is one that continuously constrains innovation. It is for a corporate culture to decide whether it will be a leader or a follower in the path of innovation in the science of disease prevention and cure. Some organizations do not reward successful and prudent risk taking while others are so bureaucratic that talent deserts one company for another. Ultimately, those organizations that take a far-sighted approach coupled with wise spending choices are leaders in the industry.

SANDY PISCITELLO
VP, Operations,
Triplefin

The biggest barrier to innovation is organizational success. Success often breeds complacency. Com-



panies begin to believe that everyone will always want their products because they are the market leader. They think they have cornered the market on ideas and that when customers start to leave them, instead of questioning organizational practices, these companies believe customers will come back because they are the best.



SUZANN SCHILLER
Executive VP,
Strategic Collaborations,
Cello Health
Communications

Siloed organizational structures where functional teams stay in their swim lanes breeds myopic thinking and insulated decision-making. Collaboration begets creativity — cross-sharing of information and ideas both within and among functional teams helps broaden perspectives, challenges thinking, and disrupts the status quo. Engaging external strategic partners can facilitate cross-functional dynamics to help move the needle, push the envelope, and inspire adoption of new ways of doing things. General conservatism and strict compliance systems that don't evolve inhibit innovation as well. The challenge for companies is learning how to embrace and integrate effective solutions that will increase efficiencies, streamline processes, and capture information in a compliant way.



HUGO STEPHENSON, M.D.
Executive Chairman,
DrugDev

The biggest constraint against innovation in any company is fear. Specifically, there is a fear of unintended consequences and, as an individual, of taking responsibility in the event of a failure. To be successful innovators, companies of any type must reward success proportionally to risks taken.

MARC STONE
Executive VP of
Strategic Innovation,



PRA Health Sciences

Traditionally organizations try to drive innovation through a single focus area or around solving a specific industry challenge. They define a key project, identify innovation opportunities, assemble a top-down focused cross-functional team, and then establish success criteria — rewards — by measuring the outcome of that single objective or endpoint. In this scenario, organizations focus innovation within a silo or around a single desired product endpoint. While this approach can result in significant breakthroughs, these innovations are often book-ended by processes, technology, and a workforce unprepared to support the siloed innovation, limiting the adoption, sustainability, and overall impact of the innovation. Our approach to innovation is what I call journey-centric innovation, which allows us to move from siloed functions and top-down innovation to cross-functional processes and empowered, bottom-up innovation. As an organization, we no longer simply focus on creating innovation endpoints, but instead create extraordinary innovation touchpoints within each journey. Journey-based transformations are not easy, and they may take years to perfect, but the reward is higher customer and employee satisfaction, increased revenue, and lower costs.



FRANÇOIS TORCHE
CEO
CluePoints

There is no doubt that the regulatory burden is impacting innovation across the industry. While regulatory bodies are outwardly encouraging fresh thinking, it has been difficult for biopharma companies to embrace innovation due to the conservative nature of the entire industry. In a market where there is a general reluctance to change or alter the status quo for fear of the unknown, this is a barrier which needs addressing. This, coupled with the huge investment needed to continually fund R&D, is slowing down innovation across the industry.

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