

BY DENISE MYSHKO



## Reaching the **HIGHER GROUND**

**W**ith the economy in turmoil and job cuts at the highest level since 2002, the pharmaceutical industry is under extreme pressures — layoffs, increased regulatory scrutiny, generic competition, pricing constraints, escalating R&D costs, etc. To thrive, no less survive, in these trying times, companies need leadership from their best and brightest employees to find solutions to these and future challenges.

One way industry leaders can stay relevant and provide value to their companies while boosting their credentials is through graduate education.

“In tight economic times, one would expect that fewer people would be interested in graduate education because of the expense, but the reality is that employees know that better credentials are important, especially when companies are looking to downsize,” says David Brushwood, R.Ph., J.D., professor of pharmaceutical outcomes and policy at the University of Florida. “People are looking for ways to add to their credentials so they will continue to be of value to their organizations.”

Terese Waldron, director of executive MBA and executive pharmaceutical marketing pro-

grams at Saint Joseph’s University, says the university’s annual survey of students that measures career advancement reinforces this point.

“In spring 2008, we found that 84% of our executive pharma MBA students were promoted once or twice before they even graduated,” she says. “This was the highest promotion rate in the five years that we have been conducting this third-party survey. Graduate education provides a tremendous return on investment. We’ve watched record numbers of our alums advance to director, senior-level, and vice presidential roles.”

Larry Van Horn, associate professor of management and faculty director of the

healthcare MBA program at Vanderbilt University, Owen Graduate School of Management, says because of the uncertainty in the business environment, some companies may take a more conservative approach to underwriting education.

“Also, it is still unclear what the implications of the new administration will be in the near



**TERESE WALDRON**  
Saint Joseph’s University

Education is one of the greatest liberators of our time.

**EARNING AN MBA IS ONE OF THE MOST PRODUCTIVE WAYS FOR EXECUTIVES AND PROFESSIONALS TO MOVE AHEAD IN THEIR CAREERS.**



# through **HIGHER EDUCATION**

**GOING BACK TO SCHOOL** might be the best investment pharmaceutical executives can make in their careers.

term and midterm for healthcare policy, and what pressure points will emerge as a result.”

## Education OPTIONS

Industry executives looking for postgraduate education opportunities have many options to choose from: executive courses and seminars, general MBA programs, executive MBA programs, and MBA programs with a pharmaceutical focus.

Joseph Pieroni, president and CEO of Dai-ichi Sankyo, says the executive MBA or the executive courses are constructed around the practical nature of business so there is real-world instruction, as opposed to a strictly academic setting.

“The best education is both formal and informal,” he says. “In terms of the formal background, it’s always beneficial in our industry to have a business/medical scientific/legal/or public health degree. In addition, practical experience is essential.”

Ms. Waldron says for some employees who may not have the time to commit to a full-time curriculum, short-term programs and seminars are a good starting point.

“Any education, any continuous improvement, is a step in the right direction,” she says. “But if people really want to build credentials and see the impact of an entire curriculum, an executive MBA, and in our case one that is focused on the pharmaceutical industry, is the optimal place to put their energy.”

Saint Joseph’s University offers an industry-focused executive MBA program that requires significant professional working



**LARRY VAN HORN, Vanderbilt University**

To be as productive and effective as possible, **PHARMACEUTICAL LEADERS HAVE TO BE ABLE TO TRANSLATE WHAT’S TAUGHT IN BUSINESS SCHOOL** to the institutional environment of the pharmaceutical and healthcare arena.

experience as a major admissions criterion. Courses are tailored specifically to the pharmaceutical industry and are taught by university faculty and seasoned professionals. Students in the executive pharmaceutical marketing MBA program represent a number of sectors, includ-

ing pharmaceutical sales management, clinical research, product management, legal, regulatory, and countless others. Many students have up to 10 years of working experience.

“Through the whole program, they are speaking ‘pharma,’” Ms. Waldron says. “They

are also striving to fulfill the Jesuit concept of 'Magis' — to be more and to do more. Our students and their sponsors tell us time and again that this industry focus makes a critical

difference in terms of content and aptitude in developing additional knowledge. Ultimately, students bring back great insights, strategies, and tactical suggestions to their organi-

zations. This new 'what if' approach generates solid thinking, not only based on theory but the study of best practices and more innovative approaches."

## Tips for Managing in a Bad Economy

**AS THE ECONOMY CONTINUES TO DECLINE, ORGANIZATIONAL LEADERS AND MANAGERS ARE FACING TOUGH QUESTIONS AND DIFFICULT CHOICES: HOW DEEPLY SHOULD THEY CUT COSTS WITHOUT CREATING UNINTENDED NEGATIVE CONSEQUENCES? WHAT ABOUT LAYOFFS? HOW DO THEY GET WORKERS ENERGIZED DESPITE LOOMING ECONOMIC THREATS? HOW SHOULD THEY DISCOURAGE DEFENSIVE INTERNAL POLITICS? AND HOW SHOULD THEY LEAD NOW SO THAT THE ORGANIZATION EMERGES FROM THE DOWNTURN POISED FOR SUCCESS?**

According to The Forum Corp., an execution strategy company that works with some of the world's most recognizable brands, pharmaceutical and other life-sciences companies can learn lessons from past recessions. Through its own research and that of others, the firm has identified 10 actions in three areas that will keep an organization focused, headed in the right direction, and eventually emerging on top.

### ➔ FINANCIALS

- 1. MOVE QUICKLY TO REDUCE COSTS.** Control spending by narrowing focus. Winners in a downturn focus on a few critical priorities where they can develop a clear lead, and they walk away from bad business. Losers chase unprofitable sales in an attempt to hold their top line.
- 2. REFRAIN FROM ACROSS-THE-BOARD CUTBACKS.** Be sure to preserve areas that customers value most. Businesses that uniformly cut costs often find that they end up damaging their ability to sell and deliver their products and services. To find out what customers value most, ask them.
- 3. CONSIDER ALTERNATIVES TO LAYOFFS.** Downsizing tends to bolster the bottom line and stock price in the

short term, but often creates long-term negative repercussions. Alternative strategies include cutting management bonuses, freezing salaries, and reducing compensation options. It's critical to communicate the rationale and impact to employees.

- 4. INVEST IN OPPORTUNITY.** A bad economy can present bargains, both in new assets and in new talent. Good areas to invest in are R&D, marketing, and customer-perceived quality. By contrast, investing in working capital, manufacturing, and administration doesn't pay off as well.

### ➔ PEOPLE

- 5. RETAIN AND DEVELOP TOP TALENT.** High-impact workers are often more susceptible to being poached by a competitor in a downturn. Organizations that provide development experiences and rotational assignments have better employee retention rates.
- 6. MAKE SURE EVERYONE'S ON THE SAME PAGE.** When alignment on key goals is absent, performance suffers, according to studies on strategy execution. Top leaders frame an agenda and meet with key stakeholders to gain support and build commitment to goals and values. Ineffective leaders let interoffice politics fester and hidden agendas dominate.
- 7. ENCOURAGE QUESTIONS AND NEW**

**IDEAS.** Make it safe for employees to raise them. Leaders who admit they don't have all the answers and ask for input empower their people to contribute their best ideas.

### ➔ CLIMATE

- 8. MANAGE THE HEAT.** Leaders are often tempted in difficult times to relieve the organization's stress by making unilateral, tough decisions. That's often a mistake. Leadership by dictate often doesn't take because it lacks a broad base of support, and it often eliminates constructive conflicts that challenge the status quo and fuel good decision making.
- 9. COMMUNICATE AUTHENTICALLY.** Strong leaders acknowledge the challenges they struggle with and, by doing so, build trust among followers. Rather than being a sign of weakness, it's a sign of strength.
- 10. CREATE A POSITIVE VISION AND ATTITUDE THAT ACKNOWLEDGES REALITY.** Businesses at the top often fall while sleeper companies jump to the top in a tough economy. When leaders exercise discipline and focus by mobilizing employees to respond to customers' interests and values, they increase the chance that when the downturn ends, they'll come out on top.

Source: The Forum Corp. For more information, visit [forum.com](http://forum.com).



**DR. TED SURYNT, Stetson University**

**AN ADVANTAGE TO HAVING A MASTER'S DEGREE IS THAT IT DOESN'T PROVIDE JUST A SHORT-TERM LIFT;** it's an achievement that has long-term benefits.



**JOSEPH PIERONI  
Daiichi Sankyo Inc.**

**THERE ARE SEVERAL SKILLS THAT DISTINGUISH A LEADER FROM A MANAGER:**

being a visionary; being an engineer, so as to be able to understand how processes work and how people operate within a company; and being people-oriented.

MBA program through its Owen Graduate School of Management.

"We are not specific to pharmaceuticals; rather, we address the healthcare industry," Mr. Van Horn says. "We think of healthcare as encompassing technology, financing, and delivery. To be effective, whether a student is involved in any one of those sectors, he or she needs to have a good appreciation for the business propositions of the other sectors. I believe that more breadth is valuable."

Terry Hisey, vice chairman and U.S. industry leader, life sciences at Deloitte, believes when people do more to develop a broad understanding of the dynamics and interaction of the ecosystem, the better positioned they are to be a good leader.

"Performance is not just a function of science," he says. "It involves policy, market dynamics, globalization, and a host of interdependent factors. Students should seek programs with the right content and the right partici-

## 10 Tips for Managing in a Bad Economy

### FINANCIALS

1. Move quickly to reduce costs and control spending by narrowing focus
2. Refrain from across-the-board cutbacks be sure to preserve areas that customers value most
3. Consider alternatives to layoffs
4. Invest in opportunities

### PEOPLE

5. Retain and develop top talent
6. Make sure everyone's on the same page
7. Encourage questions and new ideas by making it safe for employees to raise them

### CLIMATE

8. Manage the heat
9. Communicate authentically
10. Create a positive vision and attitude that acknowledges reality

Source: The Forum Corp., Boston.  
For more information, visit [forum.com](http://forum.com).

Mr. Brushwood says the University of Florida teamed up with Stetson University to offer a joint program where participants receive both a master of science in pharmacy and an MBA with a more traditional focus on general business.

"We decided an industry-specific program wouldn't serve our students as well because they need broader exposure," he says. "A very talented person can succeed in the pharmaceutical and biomedical industry with any type of background; it just takes time, sometimes 20 or 25 years learning on the job to move to the top. What we offer is a three-year, very formalized, high-expectation, thorough education that can shorten that time frame."

The combined program provides a short-term focus to give participants the tools they may need right now but also the theory and the background that they might need later in a different environment, adds Ted Surynt, Ph.D., associate dean of the school of business at Stetson University.

"My feeling is that if students are buried too much in a particular industry, they don't have the chance for outside-the-box thinking," Dr. Surynt says. "There is a lot of room for ingenuity and innovation for these students simply by being exposed to other industries."

Vanderbilt University offers yet another option for prospective students: a healthcare

## HIGHER education



**DAVID BRUSHWOOD**  
**University of Florida**

Although we are initially preparing people to succeed in the pharmaceutical and biomedical industries, **WITH THE COMBINATION OF A SCIENTIFIC AND BUSINESS ADMINISTRATION BACKGROUND, THEY CAN MOVE TO THE ENERGY INDUSTRY, TO THE TRANSPORTATION INDUSTRY, ETC.**

“Future leaders need to understand the industry and create a clear vision for where they want their companies to go; then they need to inspire the organization to become engaged behind their vision,” he says. “It is equally important that they have an understanding of the very complex area of drug development and the regulatory environment. Our industry has a long-term horizon; a product that is discovered today is not brought to the market for 12 years. With the right skills and education, leaders need to successfully run the business in the short term, make a reasonable return on investment for shareholders, yet position the company for longer-term success in the ever-changing environment in which we’re operating.” ♦

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pants so there is an opportunity for true peer interaction, experience, and learning. For example, Deloitte worked recently to help develop the Bio Exec Institute at UC Berkley, which brings in industry leaders and luminaries across multiple companies to help participants in the program develop a full understanding of biotech leadership and a broader understanding of functional roles for future leadership opportunities and career development.”

### Skills for LEADERS

Mr. Van Horn says graduate education can help executives make sense of a very uncertain

environment in healthcare and help them to think broadly and creatively about the challenges that the U.S. healthcare system faces.

“Executives have to understand how healthcare markets are likely to unfold in the next five to 10 years and how changes to the environment affect the value proposition for pharmaceuticals,” he says. “Much of this understanding has to center around an appreciation for the political and regulatory environment and knowledge of how changes in these areas are going to impact the pharmaceutical business.”

Mr. Pieroni says pharmaceutical leaders have to hire and develop the smartest and most skilled people to help lead their business.

### Experts on this topic

#### **DAVID B. BRUSHWOOD, R.PH., J.D.**

Professor of Pharmaceutical Outcomes and Policy, University of Florida, one of the nation’s five largest universities, and a major public land-grant research institution. For more information, visit [ufl.edu](http://ufl.edu).

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