

# GLOBAL

## Talent



As companies globalize and seek to maximize the opportunities and challenges that result, they need to ensure that they have an understanding of the talent potential that exists globally. All too often companies think in local operating terms or seek to attract talent within the country where they have their headquarters/regional headquarters located. This has got to change if companies want to thrive.

In the Sharpstream Emerging Markets Talent Survey 2008, it was identified that 55% of the talent in Asia and 82% of the talent in Latin America is open to relocating internationally with a strong preference for Asia and Europe.

Furthermore the survey identified that more than 30% of executives at the middle-management level predicted a change of job in the next two years. Clearly, unless companies start to listen to their executives and to work on long-term training, development, and incentive plans, they will simply be caught in a continuous cycle of talent exchange. Companies will need to develop a new philosophy where they maximize the knowledge, skills, and strategic capabilities of existing management to incorporate this as a cornerstone of any training, development, and executive leadership programs that the organization develops — in other words, a new philosophy around talent retention.

### MANAGING GLOBAL TALENT ACQUISITION — EMERGING MARKETS

Hampered by cut-throat generic competition and an increasingly tough pricing and regulatory environment, the developed pharmaceutical markets of the United States and Europe are slowing. The established multinational companies are no longer able to rely on double-digit price increases and line extensions, and unable, thus far, to replace lost sales with new and innovative products from their research and development pipelines, or increasingly, they see sales generated in emerging markets as an important component of future growth. Although it will take time, Asia looks set to become the largest regional pharmaceutical market in the world, and many Asian countries will be the new engines of growth for the industry. China has posted market growth of more than 20% per annum for the last decade and more, and this growth looks set to continue, with the market forecast to reach a value of \$41 billion in 2012. Smaller countries such as Malaysia and South Korea also are recording rapid market growth, Vietnam is emerging as a nascent manufacturing center, and Singapore has a growing reputation as a biotechnology hub.

In China, while almost all multinational pharmaceutical companies have a presence there, not one has yet captured the country's full potential. According to a McKinsey study, to serve China effectively, multinationals will require a much bigger presence in the country, including bigger salesforces. The pharmaceutical industry is both a knowledge industry and a people industry, and this is as true in emerging markets as it is in developed markets. Talented people are one of the most important resources for any pharmaceutical company, and how that company recruits and develops such individuals is the competency that will set it apart from its competitors.

### KEY CHALLENGES IN EMERGING MARKETS: SHORTAGE OF TALENT

For many multinational pharmaceutical companies, attracting talent in emerging markets is a new and challenging experience. Unfortunately, many fail to meet this challenge. For instance, in China, the general managers of most multinational pharmaceutical companies are foreign citizens, partly because of an inability to attract highly trained and qualified locals and also because of the high volume of talent required. In those same companies, senior staff turnover is unacceptably high. This is not merely a small problem in a country far far away. China as well as the developed markets of the United States and Europe are being hobbled by stringent healthcare cost-containment and fierce generic competition. Emerging markets will soon be generating the majority of growth in the global pharmaceutical market.

The pressure is on to meet the challenges of this new global order and capitalize on the opportunities that come with it. To do this, the industry needs to attract the very best management talent in its fast-growing emerging markets, both by attracting top-performing expatriates and by recruiting and developing local talent. The problem is that, even in the middle of a global economic slowdown, such talent is in very short supply. Some of the consequences of this shortage are now being felt in many emerging markets, manifesting themselves in acute salary inflation and large increases in staff turnover.

**MOST OF THE IN-MARKET  
EXECUTIVES INTERVIEWED IN  
ASIA-PACIFIC AGREE THAT A TALENT  
SHORTAGE IS THE BIGGEST ISSUE  
FACING THE PHARMACEUTICAL  
INDUSTRY IN THEIR REGION.**

SHARPSTREAM LIFE SCIENCES EMERGING  
MARKETS TALENT SURVEY 2008

# 9<sup>TH</sup> ANNUAL PHARMALINX CHARITY GOLF OUTING

Hosted by PharmaVOICE Magazine



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## PLACE

**Jericho National Golf Club**  
**New Hope, PA**

## DATE

**Monday, September 14, 2009**

## TIME

**Arrival Time — 10:00 am**  
**Tee Time — 11:00 am shotgun start**

## PLAY

**Foursome ... \$1,250**

**Single ... \$375**

**Registration By August 17, 2009**  
**Payment must accompany registration**

## CORPORATE SPONSORSHIPS AVAILABLE

**PLATINUM ... \$6,500** – receives 4 player spots and e-sponsor advertising package, including leaderboard sponsorship\* (one sponsorship available)

**GOLD ... \$4,500** – receives 4 player spots and e-sponsor advertising package\* (unlimited sponsorships available)

**SILVER ... \$2,500** – receives 2 player spots and e-sponsor advertising package\* (unlimited sponsorships available)

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## HOLE SPONSORSHIPS AVAILABLE

The sponsorship fee includes e-sponsor advertising package\*

### Holes with prizes ... \$1,000

Men's longest drive • Men's closest to the pin  
Men's straightest drive • Women's longest drive  
Women's closest to the pin • Women's straightest drive  
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**Holes without prizes ... \$750** – All holes excluding prize holes

\* E-sponsor advertising package includes: advertising on electronic scorecard, sponsorship of 1 hole, hole signage, listing in program and PharmaVOICE magazine, opportunity to add promotional item to give-away bag

## ADDITIONAL SPONSORSHIPS AVAILABLE

**Carts ... \$2,000** (limited to three sponsors)

The sponsorship fee includes sponsor advertising package+

**Lunches ... \$1,000** (limited to three sponsors)

The sponsorship fee includes sponsor advertising package+

**Putting Competition ... \$1,000** (limited to one sponsor)

The sponsorship fee includes sponsor advertising package+

**Refreshment Stations ... \$1,000** (limited to three sponsors)

The sponsorship fee includes sponsor advertising package+

**Chair-Massage Station ... \$1,000** (limited to three sponsors)

The sponsorship fee includes sponsor advertising package+

\*Sponsor advertising package includes: signage at sponsored area, advertising on event Website, listing in program and PharmaVOICE magazine, opportunity to add promotional item to give-away bag

## PROGRAM ADS

This advertising fee includes a black-and-white ad in the event program, and name of sponsor listed in the November/December issue of PharmaVOICE.

**Full Page Ad ... \$300** (5" x 7 1/2") • **1/3 Page Ad ... \$75** (5" x 2 3/8")

Please contact Marah Walsh at PharmaLinX at 215-321-8656 for additional information or e-mail [mwalsh@pharmalinx.com](mailto:mwalsh@pharmalinx.com)

[www.pharmalinx.com/golf](http://www.pharmalinx.com/golf)

## FUTURE CAREER MOTIVATIONS AND EXPECTATIONS

To improve the recruitment and retention of high-performing executives in these markets, it is vitally important to understand the motivations and career expectations of these executives. In the current recruiting environment in many emerging markets, executives know they have a choice. These executives are ambitious, highly motivated, and expect the very best of their employers. They may want to choose an organization with a strong brand or ethical reputation, they may be attracted to working with high-profile industry leaders, or they may simply

PROFILE OF THE POSITION, PROFILE OF  
DIRECT MANAGER, AND LEARNING AND  
DEVELOPMENT OPPORTUNITIES ARE  
TOP THREE FACTORS MOTIVATING ASIA  
PACIFIC EXECUTIVES TO MAKE A  
CAREER MOVE.

SHARPSTREAM LIFE SCIENCES EMERGING  
MARKETS TALENT SURVEY 2008

be motivated by material rewards. Of primary importance is the prospect of growth, in both personal and professional terms.

## THE CONSEQUENCES FOR TALENT MANAGEMENT IN EMERGING MARKETS

Clearly, the things that attract or discourage top talent are relevant not only to those companies trying to recruit, but also to those trying to effectively manage existing talent. If people are not offered the learning and development opportunities they expect, or are unhappy with the profile of their position, they will

## TOP CHALLENGES AND OPPORTUNITIES RELATED TO GLOBAL OUTSOURCING AND TECHNOLOGY



**AJIT BAID**

Managing Director  
*The Research Partnership (USA)*

Evolving trends in outsourcing include competitive intelligence, data mining, market research, and e-sampling.

Also on the rise are partnerships and copromotional arrangements to expand physician coverage and product penetration.

**DENISE CLAUX**

Research Analyst, Healthcare and Pharma  
*IHS Global Insight*

Brazil is beginning to emerge as an important outsourcing opportunity for pharma companies interested in expanding into the Latin American market, both within the generic and innovative sectors.

Multinational companies' growing interest has been reflected by the upsurge in Brazilian pharma exports, which experienced a 29% rise to reach \$961.5 million in 2008, and the Brazilian pharma market, which was top in Latin America with \$17.5 billion in sales in the 12 months ending November 2008.

On top of representing a growing and profitable market, the implementation of local production requirements for foreign-owned firms wishing to import products to Brazil and the increasing support for manufacturing development from the government have particularly influenced this trend.

Anti-piracy efforts and financial incentives provided through the Brazilian development bank BNDES represent some of the government's actions to support this sector. Leading pharma companies with a presence in Brazil include AstraZeneca, Bayer HealthCare, Novartis, Pfizer, Roche, and Sanofi-Aventis.



**BRIAN DALEIDEN**

Director of Marketing  
*SupplyScape*

The focus has shifted from bilateral outsourcing deals to collaborative relationships across complete business processes. The low-hanging fruit of cost reduction and risk mitigation may be captured by simple outsourcing but true operational responsiveness in uncertain markets requires a network of collaborative partners working from shared goals and information.



**LUCY DEUS**

VP of Product Management  
*SupplyScape*

Corporate virtualization programs will mandate a completely new set of joint-planning and process management tools. To create the necessary value chain IT system, companies will need to break down traditional knowledge silos and extend collaboration system access to networked partners sharing planning and process control across extended business hubs.



**GERRY HEPBURN**

President, Clinical Operations  
*Aptuit*

Given some of the regulatory hurdles unique to this industry, cost-effective outsourcing within more developed markets is still of the utmost importance. Innovative program approaches that can maximize a company's spend on a given project and some economies of scale make continued development in expensive countries a viable option still.

India will continue to grow as an important player in the future of the global outsourcing market with an increased focus on R&D innovations rather than just on the manufacturing of generics. China is rapidly developing a growing outsourcing opportunity.

Upfront planning at the outset of a project will be vital to success in the current environment. Companies should look for partners that leverage novel strategies and approaches to solving today's drug development challenges; engage in programs that can maximize project spend to provide more insightful or impactful data/results; view outsourcing partners as an extension of internal teams, opening up communications channels to solve problems as they occur rather than merely at predetermined checkpoints along the project; and seek more than just a vendor that can provide the service needed, but seek out a partner that has drug-development expertise that can not only impact individual project milestones but also add value to the overall pipeline lifecycle management.

**BILL HOOK**

VP, Global Strategy, Healthcare Logistics  
*UPS*

From a supply-chain perspective, outsourcing is an increasingly attractive

leave, no matter how good their current employer's reputation or growth prospects are. These attributes simply will not be enough to make them want to stay.

This is a real risk, since these high-performing executives are highly mobile. This mobility is reflected in the fact that more than 30% in both regions plan to switch jobs sometime in the next two years, with just 20% ruling out such a move.

This is a startling result, and points toward a highly dynamic market for talent in emerging markets going forward. If even a small proportion of those who intend to move actually do so, there will be many executives changing jobs over the next few years, driven by the desire for development and tempted by the prospect of large salary increases.

It is worth noting, however, that the in-market executives inter-

viewed for the survey attach a far lower value to their salary and benefits package than corporate leaders think they do.

There will undoubtedly be opportunities to attract the best talent. Smaller pharma/biotech companies will be able to compete on a level playing field with big pharmaceutical companies if they can offer an attractive employee value proposition that encompasses an industry-leading reputation, effective management, and excellent learning and development opportunities.

Companies must ensure that they can reach the talent and draw them in before they become active and get lost among the clamor of competition. ♦

*Source: Sharpstream Life Sciences. For more information, visit [sharpstream.com](http://sharpstream.com).*



option for pharma companies, especially given current economic and competitive conditions. The need to cut costs and gain nimbleness while focusing on core business areas has become essential for many companies.

Companies are looking to outsource areas ranging from warehousing and distribution to ancillary services such as customer service, order processing, and customer charge-backs. In fact, UPS conducted a survey in 2008 that showed that more than half, or 46%, of large healthcare manufacturers surveyed planned to increase the amount they outsource in the next one to two years. These decisions are primarily driven by a desire to reduce capital, become flexible, and lower costs, allowing companies to focus on key areas such as R&D.

We're seeing a change in the types of services companies are outsourcing. For example, one new trend manufacturers are starting to look at is outsourcing distribution to third-party logistics providers (3PLs). While distribution has long been an area that pharma companies kept in-house, some 3PLs have made significant investments in building compliance expertise, specialized services, compliant facilities, capabilities for customized and reliable transportation, and storing of temperature-sensitive, controlled and other high-value products. This is giving pharma manufacturers more confidence to outsource these services. The potential cost benefits are significant. Pharma companies can take advantage of 3PLs' existing infrastructure and multi-client facilities, allowing them to share costs and avoid paying for excess capacity.



#### **TIM KELLY**

VP and Practice Leader, CIS  
*IMS Consulting*

The lack of growth in pharma sales and new products is driving companies to redefine their commercial models and approach. Outsourcing in the commercial areas of pharma is a new growing trend that almost all major pharma companies have started or are planning. Areas such as information management, reporting, managed care operations, and sales operations are primed for outsourcing.

India has been the leading outsourcing center, but it is losing share to other countries as outsourcing is truly becoming global.

China has excellent analytical and technical talent, and has emerged as a significant player. Other countries gaining share are Brazil, Mexico, Malaysia, and Thailand. Eastern European countries such as Bulgaria, Ukraine, and Russia also will emerge as strong players in the next few years.

#### **SHUANG LEWIS**

Research Analyst  
*IHS Global Insight*

China has become India's biggest rival for the position of top outsourcing destination and holds the potential to win the race in a couple of years. China has outperformed India in terms of the export of active pharmaceutical ingredients, however, it still needs more efforts to beat India for the outsourcing of finished medicine production. On the other hand, China is attracting growing interest from multinational drugmakers for contract research outsourcing. China's leading CRO, the U.S.-listed Wuxi PharmaTech, has been in the process of transforming from providing purely clinical-research services to fully integrated research services as it partners with global pharma companies such as Pfizer and Johnson & Johnson. Another CRO, Tigermed, has taken a different route by collaborating with CROs in Russia and South Korea for larger-scale international research partnerships.



#### **GEOFF MELICK**

Executive VP, Interactive Marketing and Innovation  
*Kinect Interactive Digital Communications*

Turkey, Mexico, and Brazil have all become significant players in the global outsourcing market. We also expect Ireland to take an increasing share in the outsourcing marketplace, partly because of its business-friendly government, entrenched healthcare manufacturing, and well-educated, English-speaking workforce.



#### **DEREK WINSTANLY, MB CHB**

Executive VP, Strategic Business Partnerships  
*Quintiles Transnational*

While the United States and Europe continue to be major outsourcing regions, Asia, including, but not limited to India, is the fastest growing.

Asian CROs are growing about 22% year-on-year compared with global CRO growth of about 14%. Regarding country-specific opportunities, this depends on the type — access to patients, contract manufacturing, functional outsourcing, etc.

Outside of Asia, Eastern Europe and Latin America are emerging as top markets for outsourcing.