The Board Meeting on Biotech Boardroom Diversity
15th September 2016

#Boardstep16
The 2016 Annual Diversity Conference hosted by Liftstream and Biogen, part of our series of Boardstep events, was an inspiring and robust discussion which aimed to create firm proposals that will advance gender diversity in boardrooms across the biotech sector.

While the content was rich, we have tried to pull out some of the important themes that came across during the presentations and panel debate. Below is a summary of issues discussed by the panel, key roundtables’ recommendations and actions towards improved board diversity, as well as feedback from the event delegates.

Karl Simpson
CEO, Liftstream
About Liftstream

Liftstream is an executive search recruitment practice focused exclusively on the global life sciences sector. Our clients benefit from the advanced sector knowledge we possess and the exceptional people we’re able to recruit for them into positions of leadership.

Since 2003, Liftstream has been recruiting outstanding people to the unique and complex challenges of life sciences. Our work in strengthening company boards, executive teams and functional management across international bioscience clusters improves the leadership and governance standards of the sector’s constituent companies.

Liftstream is committed to equal opportunities, diversity and inclusion. For more information about Liftstream, please visit www.liftstream.com

LinkedIn: www.linkedin.com/company/liftstream-ltd
Twitter: @liftstream

Liftstream Ltd
T: +44 (0)203 178 5863
E: info@liftstream.com

Looking to diversify your company’s leadership?
Contact Liftstream and benefit from our expertise in the area of leadership diversity and inclusion.

Acting on our diversity commitment

At Liftstream, diversity is more than a statement, it is a values system by which we operate. We work constantly to challenge ourselves to look further and more broadly for experience, focusing on inclusiveness, where everyone is appreciated for what they can contribute.

Reports
Liftstream is a leading advocate of diversity, publishing industry-specific research on the topic of executive and board-level gender diversity.
For further reading on the topic of gender diversity, download:

- Diversifying the Outlook – The X&Y of Biotechnology Leadership
- Investing in Biotechnology Management
- Board and CEO Compensation and Governance 2015 – San Diego Biotech Cluster

Research
Liftstream is currently working with the Massachusetts Biotechnology Council to study the human capital pipeline in the life sciences sector in Massachusetts. The study will help us understand how to increase the diversity of tomorrow’s executive committees and boards, thereby improving the sustainability of the life sciences sector in the Massachusetts region. We invite companies and individuals to participate in the study.

The survey can be taken at www.liftstream.com/pipelinesurvey

Knowledge at the heart of leadership
Event Program

3.00–3.30pm | Registration and Networking

3.30–3.45pm | Welcoming Remarks and Introduction of the Women in Bio ‘Boardroom Ready’ Program
Karl Simpson – CEO, Liftstream

3.45–4.00pm | The Business Case for Gender Diversity: A View from Wall Street
Kiersten Salander Barnet – Deputy Chief of Staff to Chairman Bloomberg LP and Chair of the US 30% Club Steering Committee

4.00–5.30pm | The Board Meeting on Biotech Boardroom Diversity:

- Investing, Venture and Management
- Leadership
- Board Process and Governance

Chair:
Robert Perez, Managing Partner, Vineyard Sound Advisors LLC

Panel:
Daphne Zohar, Managing Partner, PureTech | Mike Bonney, Chairman, Alnylam and former Partner, Third Rock Ventures | Deborah Dunsire, former CEO, Forum Pharmaceuticals | Jeremy Levin, Chairman and CEO, Ovid Therapeutics | John Cox, CEO, Bioverativ | Kathy Behrens’ Wilsey, Chairwoman, Sarepta Therapeutics | Chris Viehbacher, Managing Partner, Gurnet Point Capital | Meredith Miller, Chief Corporate Governance Officer, UAW Retiree Health Benefits Trust

4.00–4.15pm | Presentation to the Board: Bending the Pipeline?
Professor Robert M. Fernandez, William F. Pounds Professor of Management and a Professor of Organization Studies, MIT Sloan School of Management

5.30–6.15pm | Roundtable Discussions
Each roundtable, chaired by the industry executive, will address key topics relating to the issue of gender diversity

6.15–7.00pm | Networking Reception and Event Close

Honored to be a part of this event. Time is now for change. Help us create a more diverse future!

Robert Perez,
Managing Partner,
Vineyard Sound Advisors LLC
The Business Case

During this year’s event, speakers and diversity experts emphasized the data and evidence which supported their conviction for the business case for a diverse board of directors. Recently published studies which show that gender diverse boards are statistically more likely to deliver a higher return on equity and higher margins were referenced.

Other benefits of diversity at the board level were discussed such as an effect on driving an innovation culture within a company, as well as explicit advantages which diversity brings to a board facing testing or challenging times and during crisis management. The board’s role in setting strategy, managing risks and hiring the CEO were all seen as areas where diverse perspective and experience are immensely valuable.

Different Sources of Directors

Evidence was cited that diversity policy has already resulted in bringing some change to boardrooms of big-cap companies, however, biotechs are failing to respond to change.

It was broadly advocated that Boston is a tremendous environment in which to make a change on the issue of gender diversity, perhaps faster than other biotech clusters. It is an innovation driven ecosystem, with many small and growing companies that need to access the right people to fuel their growth. The experts proposed looking beyond the traditional sitting-CEOs or even C-suite executives to populate boards, and recommended searching in the function-level leadership to bring distinct expertise to the boards of biotechs.

The lack of perspective from careers, patients or payers on boards was seen as another positive way to source diverse director profiles for a board.

Strong Leadership which Sets the Tone

A strong leadership is required to achieve diversity at the board and to see diversity cascade down through the organization. This means that the board must set the tone, demonstrate behaviors consistent with a diverse and inclusive leadership culture, and show courage and commitment to embed this into the organization.

The consensus was that this was a top-down action and needed to visibly be seen as such. A boardroom is a place where values and behaviors for an organization are set and this must extend to diversity and building an inclusive culture.
Designing Effective Process

Diversity is being given high visibility among public market investors, and firm proposals were made that all board director searches and appointments should be executed under structured and rigorous process. The proposal of 30% of women being included in all director shortlists was offered as a minimum benchmark. This would partially alleviate some of the selection bias that many of our experts felt are evident in the board appointment process, although some evidence of women steering away from opportunities requires further examination.

Executive search was evidenced as being far less influential in the perceived gender imbalance of candidate pipelines being presented for director positions. In fact, their clients were the ones ultimately influencing the outcomes and creating the disproportionate weighting towards male appointments.

Making Sponsorship and Networks Work

Sponsorship approaches and networks were viewed as truly vital to achieving greater diversity throughout the board and C-suite, thus companies must think about how to leverage and utilize these two approaches effectively. The issue of the candidate pipeline for top positions was discussed and it was suggested that search firms can help in broadening these pipelines for companies, but also that strong policy can really support the referring of underrepresented groups and assist in desegregating.

Change Behaviours and Challenge Conventional Wisdom

There is a need to break free of patterns and escape the propensity for choosing executives based on past experience, which might not prove the best qualification for a rapidly changing industry or indeed a predictor of future success. Selecting candidates for the board who have a ‘celebrity’ status was strongly questioned. Boards should be carefully crafted based on the right composition of experience and perspective, not because of their perceived industry status. Proposals for more intelligent requirement design, coupled with the process, could automatically broaden the pool of prospective directors.
Women - Reaching Up and Reaching Out

While many of the proposals focused on the need for systemic change and strong leadership, our experts also felt we need to address both ends of the same problem. They suggested tackling the challenges that women face in elevating themselves to board roles. The focus given to the WIB ‘Boardroom Ready’ program and its participants was well received and kudos paid to Biogen and a tremendous initiative with ‘Raising the Bar’. However, the view that women shouldn’t need to engage in such a program was expressed, based on the argument that their male counterparts do not participate in similar programs. This said, there was support for higher qualified board directors, and programs of this kind set a new standard.

It was recommended that women need to back themselves, acquire the requisite knowledge and capabilities to effectively serve boards, and ‘get out of their own way’. They need to put their ‘hands up’ for this type of opportunity and take the power, as power is rarely given. This sounded a strong message that women are not to be ‘empowered’, rather that they must back themselves, and each other, to amplify their value and to get to the top jobs.
EXCEPTIONALLY HIGH PARTICIPATION OF MEN

32.5% Men
67.5% Women

ARE YOU LIKELY TO ATTEND THIS EVENT AGAIN IN THE FUTURE?

Yes 100%
No 0%

An inspiring event, not just because of the luminaries on the podium. The quality of the participants was even more impressive. Well done.

Steve Dickman
CEO,
CBT Advisors
DISTRIBUTION OF THE EVENT DELEGATES – 281 REGISTERED

- CEOs: 74
- SVP, VP: 41
- C-Level: 145
- Executive Leaders: 18
- Sr Director, Director, Head: 20
- Manager: 10
- Partner: 14
- Associate: 10
- Other: 27
Summary of Outputs from Roundtables

This year’s diversity event was a tremendous opportunity to use the collective knowledge and experience of 250 executives. With a truly diverse C-suite delegation, the intellectual power this group offered was put to work on thinking about some of the big questions which are important to address diversity in the sector. We assigned some key topics and duplicated them across tables to generate different perspectives about the issues.

Here we present actions and solutions proposed by the Roundtable Groups.
Building a clear and visible pipeline of women executives

- Develop sponsorship and mentorship programs to grow diverse talent base and accelerate the under-represented talent towards the C-suite and board.
- Design effective diversity and inclusion policy applicable at the level of the organization but also across the industry sector.
- Increase transparency on diversity performance and implement ranking of companies and their suppliers/partners.

Overcoming selection bias

- Measure and identify successful teams and deploy diverse candidates to those teams to provide career advancement opportunities.
- Set the tone at the top - board and executive management should sponsor diverse candidates and mandate better representation of the diverse talent in the selection process.
- Be clear about search criteria and focus on the right skills, experiences, attributes, and achievements.
- Measure diversity of the candidate pool throughout the selection process to diagnose where biases are occurring and why.

Diversifying the Outlook – The X&Y of Biotechnology Leadership, Liftstream, 2014
These events are critically important. Whether we are willing to recognize it or not, gender does matter and does create different viewpoints which should be critical to successful decision making!

Per Gjorstrup
CEO,
Anida Pharma Inc.

Achieving diversity in a networks driven world

- Companies should disclose the information on their candidate selection process for a position of the board directors.
- Design more intelligent networking opportunities, recognizing different approaches, diversify networks and limit segregation.
- Improve sign-posting for underrepresented groups to know when and with who to ‘put your hand up’.
- Use search firms to connect you.

Which of the following activities have been valuable in growing your network?

- Involvement in a NFP: 11.7%, 15.1%
- Informal/social networking: 36.3%, 33%
- Attending industry conferences: 38.7%, 33.3%
- Women’s networks: 0.6%
- Networking not a current priority: 13.3%, 5.7%, 2.5%
- Other: 6.9%, 2.8%

Diversifying the Outlook – The X&Y of Biotechnology Leadership, Liftstream, 2014
Appointing directors to their first board role

- Introduce more ‘board observers’ as a way of providing learning opportunities for the future board members, and a way of enriching the experience pool.

- Focus on experience and skill set, appoint candidates to solve a specific problem or need – these individuals can add value to the board.

- Outreach to folks who want to be on boards and who currently do not serve on a board.

Creating critical mass

- Introduce suitable milestones, targets, and metrics for measuring board diversity and to make clear the minimum requirement.

- Rate companies on the composition of Board and proxy governance.

- Open board opportunities to individuals who don't have operational or finance backgrounds, and improve appreciation for differences.
As CEO of a publicly traded healthcare company I would encourage any and all board members and CEO's to attend this event, 3 hours can make a big difference. Our firm is far better off having attended.

Kevin Richardson
Chairman and CEO, Sanuwave Health

The role of men in championing change in gender diversity

• Ensure men are part of the discussion and the solution, there needs to be an inclusive approach.

• Emphasize that inadequate talent supply equally impacts both genders, and engage men in championing access to the entire talent market.

• Introduce greater accountability and charge men with responsibility for tackling not only the board problem but also with fixing the pipeline supply issue.

Demonstrating the business case of more women in the C-suite and board

• Bridge the gap in understanding the attributes of greater inclusion of women in the industry.

• Link the participation of women to a company's performance by quoting the data, but also collect your own data and publish it.

• Emphasize the value of women, their unique skills and life experience and how these serve corporates in aspects such as decision making, communicating, team culture, advocacy.
Defining process improvements to diversify the board

- Introduce board mentoring programs.
- Company’s board to mandate that the board selection process must include adequate diverse talent in the long-list and short-list, as well as analyze why the diverse candidate was not selected.
- Design process to increase participation of diverse candidates, including setting mandatory lower limits on participation at all stages.

Increasing the participation of women in VC and CVC

- Find alternative and creative sources for the female VC pipeline, such as asset managers, with limited partners (LP) connections.
- Strategically target LPs with the business case for diversity and encourage them to demand diversity in VC firms and their respective portfolio companies.
- Use ‘board observer’ opportunities to sponsor women in venture capital to increase board-readiness as venture partners.
- Collect and share metrics to try and encourage champions to break from patterns.

Diversifying the Outlook – The X&Y of Biotechnology Leadership, Liftstream, 2014
During the event, Liftstream announced an exciting initiative from Women In Bio (WIB) which addresses gender diversity on boards. We are supporters of the ‘Boardroom Ready’ program from (WIB) which is setting a new standard for vocational training for corporate board directorships. The first 20 participants in that program were announced during the event and we profile them here too.

We encourage you to look into the program, either as a participant, a sponsor, mentor, coach, or recruiter of board directors.

- **Alison Arter**, President, Apted, Baer & Clark
- **Alpna Seth**, Senior Vice President, Global Head Biosimilars Business Unit, Biogen
- **Cindy Jacobs**, Executive Vice President and Chief Medical Officer, OncoGenex Pharmaceuticals Inc.
- **Cynthia Smith**, Chief Commercial Officer, ZS Pharma, Inc.
- **Eliana Clark**, Vice President, Global Manufacturing Sciences, Biogen
- **Ethel Rubin**, Entrepreneur in Residence, BioHealth Innovation, Inc.
- **Faith Charles**, Partner, Corporate Transactions and Securities for Thompson Hine LLP
- **Heidi Higgenson**, Vice President, Global Pricing & Reimbursement Strategy, Biogen
- **Jennifer Carver**, Senior Vice President, Operations for La Jolla Pharmaceutical Company
- **Johanna Friedl-Naderer**, Senior Vice President Head of Europe & Canada, Biogen
- **Jzaneen Lalani**, Chief Operating Officer, Curemark LLC
- **Kate Haviland**, Chief Business Officer, Blueprint Medicines
- **Marianne De Backer**, Vice President, Johnson & Johnson Innovation, Janssen Business Development
- **Mary Thistle**, Chief Business Officer, Dimension Therapeutics
- **Sharon Ayd**, Chief Science Officer and Senior Vice President, Pharmaceuticals for Regulatory Compliance Associates
- **Sofija Jovic**, Chief Executive Officer, ProPhase LLC
- **Stacy Lindborg**, Vice President, Biometrics, Biogen
- **Susan Dillon**, Global Therapeutic Area Head, Immunology, Janssen Pharmaceuticals (Johnson & Johnson)
- **Tara Nickerson**, Chief Business Officer, Prothena Biosciences
- **Terri Matkovits**, Senior Vice President, Drug Development, ContraVir Pharmaceuticals
To see more photos from the event go to:

Instagram.com/liftstream_ltd
Thank you for participating – change begins with you!

“We're on to something! Full house @biogen @liftstream Board Diversity event.”

-MassBio via Twitter

#Boardstep16