

# Life Sciences

A view from the boardroom

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# Life sciences: A view from the boardroom

## Interview with Dr. Annalisa Jenkins



After a decade-long bull run, emerging life science companies are grappling with a punishing market downturn. The challenge for management teams and their boards is to steer through this unpredictable environment by balancing near-term constraints against the need to ensure long-term resilience.

Rather than hunkering down and hoping for better times, biotech leaders must lean into the crisis and think strategically, according to Dr. Annalisa Jenkins, who sits on boards across the public, private and charitable sectors, and has more than 25 years' experience building and financing companies. Brunswick's Charis Gresser and Ben Hirschler sat down with her to discuss the opportunities and obstacles ahead.

### How should emerging life science companies, and their leadership, navigate this downturn?

The adage "never waste a good crisis" could not be more pertinent.

We live in times that are risky, unpredictable and highly ambiguous. The art of being a strong leader during times like this requires keeping one's eye focused on the day-to-day, near-term urgent matters without constraining the long-term sustainable growth and value creation of the company.

We saw during COVID that people could come together across the private, public and charitable sectors to innovate. Strong leaders think about doing things differently in difficult times – there's the base case and then there needs to be plan B and plan C. That generally leads to more collaboration; seeking out partners, including in academia and public-private partnerships; and looking to new investors beyond venture capitalists.

### What are your tips on effective stakeholder communications?

When the going gets tough, the tough communicate and communicate and communicate. I am a huge believer that you can emerge a real winner out of tough times because you can differentiate yourself.

I get asked to go into a lot of companies for a short period of time to look at their business plans and help them think through their strategy. I love working with young, first-time entrepreneurs, often with fascinating science and brilliant ideas. The biggest questions I often find myself asking are: What is this company? What big problem are you trying to solve? Who is your customer? Do they care? Are they going to be willing to pay for it? And who is your competition that is going to eat you for breakfast along the way? You can translate those questions into a series of outputs that are all related to how you communicate about your company to a multitude of stakeholders.

### How can companies cope with today's lack of growth capital?

The market today is frozen. Capital just isn't moving around. In the first quarter, we've seen the lowest venture capital inflows into the sector for years, particularly risk-growth capital, and in the public markets,

we're seeing virtually zero IPOs. Although, interestingly, the constraints are unevenly spread: if you're in health-related AI/tech, the capital needed is far less, the cycle times are lower and the risks in some ways are lower.

But generally, in this environment, the tendency for boards and management teams is to hunker down and almost go into hibernation mode by focusing on cash burn and hoping things will get better. But hunkering down is the worst possible approach.

Management teams and boards need to sit up, lean in and really start to think about allocation of cash and human capital against those programmes that will drive the most value and ultimately will have the biggest differential impact should they come to the market and into our healthcare system. That means making choices, and one of the most difficult decisions to make in our industry is to issue a "no go" on a programme.

## Is the life sciences talent pool deep enough?

Human capital is critical and there's a shortage of it. Winning organisations will be those that can differentially attract, keep, grow and progress talent during these challenging times.

What we're having to do as leaders in these organisations is to seek out new capabilities to bring into our life science companies, such as people experienced in data science, statistics and modelling, and in AI and machine learning. We're combining that expertise with experts in medical development.

There is a war for talent, so boards and senior leaders need to think through what it is that's going to attract and retain the best talent. That means being flexible, being innovative about work practices and thinking carefully about what makes a sustainable, resilient organisation – which rests on the clarity of purpose and on the culture.

The substrate coming out of our academic institutions in the US, Europe and in the UK has never been stronger. Our principal investigators (PIs) and post-docs are energised by the prospect of translating their ideas into innovation, and are spinning out companies into the private sector at a rate that is ahead of anything I can remember. It is absolutely clear that we are living in an age of remarkable scientific progress.

## How can non-executive board members help in times of crisis?

I think one of the challenges is that board members are tempted to go into companies operationally, rather than keep their focus on strategy. It is not easy. One of the phrases that I find myself using more and more is, "Can we all just calm down and take a breath?" – because that's what experience teaches you. It's tempting to live in crisis mode, when really what we want to focus on is long-term sustainability and resilience. And to keep our eyes on making progress, because we don't want management teams frozen, unable to act. We want to be able to continue to move forward.

These aren't easy times. The cost of capital is huge, cash is king and runway is king. And if organisations need to be reshaped, for example, that's tough work. So, you need a partnership between the board and the management team to get that work done in the most efficient, effective and compassionate way. Boards also have to pay attention to the culture of an organisation, and make sure they have a strong sense of it by talking to employees and understanding what it feels like to work there. I am a little bit worried about the risk of potentially putting to one side important areas of progress – whether that be related to diversity, sustainability goals, the ESG agenda – because you're dealing day-to-day with a crisis.

## How do you view the UK as a centre for life sciences?

Looking at the UK, one of the challenges we have is to get access to senior leaders and CEOs who understand how to take a great idea and turn it into a company that can drive forward to

commercialisation. We have a paucity of senior commercial leadership in life sciences in the private sector, and not enough chief medical officers with sufficiently sophisticated drug development expertise.

One of the huge opportunities here in the UK is the ability to build companies and partner with the National Health Service (NHS) to conduct clinical trials, and then subsequently to roll out innovations into our healthcare system.

But the clinical trials ecosystem in the UK is going backward. I don't see the issues in clinical trial recruitment picking up any time soon given the enormous waiting lists in the NHS. So, companies now are having to think differently about where they place their clinical trials, and many go to Germany, France, Italy and obviously the US. That's very sad if you think about severe diseases like cancer, some autoimmune disorders, serious rare diseases, where the only hope patients may have is through participation in clinical trials.

### What leadership advice do you give young entrepreneurs?

Great leaders, in times of trouble, must continue to communicate a compelling vision. They know how to keep the energy levels up in an organisation. They engage the organisation and its employees to ensure that culture is aligned with strategy. They enable – meaning they remove the obstacles that stop their people getting their work done. And of course, they also have to measure what they do and senior leadership, working with the board, has to keep a close eye on execution. These are my five Es of leadership: envision a future, energise, engage, enable and execute. I add in M for metrics, and the three Cs of communication, collaboration and compassion. I call it the Einstein ( $E=mc^2$ ) model of leadership.

To hear the view from the City of London, [read our interview](#) with Dale Raine, Managing Director and Co-Head of European Healthcare Investment Banking at Lazard.

To continue the conversation:

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