



How to Become a “Partner of Choice”

Advice from execs with experience at Bayer, Lilly and Boehringer Ingelheim

Adapted from an eyeforpharma interview

There was a time when pharma did everything in-house, particularly R&D. These days outsourcing is well established and collaboration among organizations is becoming the norm. Companies are essentially agnostic about the source of their innovation: a typical large pharma may find itself collaborating with smaller biotechs, a hi-tech giant, universities or major consultancies—and perhaps with all four across different projects.



KEMAL MALIK
Head of Innovation
 Bayer



ANGEL PÉREZ AGENJO
Senior Marketing Director
 Lilly



STEPHAN KLASCHKA
Innovation Consultant
Former Director, Global Innovation
Management and Strategy
 Boehringer Ingelheim

Such collaborations may, of course, address any part of the value chain. Angel Pérez Agenjo, a senior marketing director at Lilly, is focused on innovating through collaboration within the marketing space. “The way that start-ups think and execute, how lean, how nimble and how flexible they are can provide very valuable opportunities or add-ons to the current way we try to execute our marketing tactics.”

Whatever the focus, the process needs careful management. All too often alliances can run less than smoothly as partners with different cultures and varying strategic objectives seek ways of working closely together and end up testing established processes to breaking point. This is particularly true at the cutting edge of innovation, where organizations are looking beyond iterative change towards deeper transformation. How then do we get the best from collaborating with external partners to drive successful innovation across our organizations?



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Bayer's head of innovation, Kemal Malik, explains: "One thing we're very conscious of is we're really part of an ecosystem. When I first entered the pharmaceutical industry, the company did all its research internally; there were a few collaborations but those were usually with academia."

You have to be someone who other people want to partner with, because there are other options—particularly if they have something especially exciting.

Kemal Malik, Head of Innovation, Bayer

Back then, relationships between organizations tended not to be well spelled-out. Today, successful partnerships are all about understanding the needs of each stakeholder and their differences—essentially what each is seeking to gain from the relationship.

At the same time, there can be significant competition for the best ideas within the innovation ecosystem. So any pharma seeking to maximize competitive advantage from open innovation and collaboration should strive to position itself as a partner of choice in order to benefit from the first pick of cutting-edge technology.

"You have to be someone who other people want to partner with because there are other options—

particularly if they have something especially exciting," Malik says. "For me, being partner of choice is really trying to understand the stakeholders involved and what's in it for them—why they want to partner with Bayer. It's not just about money; it's about the proposition that Bayer provides."

For instance, Bayer's partners tell Malik that the organization is reliable, consistent and respectful, that it seeks to understand its partners' perspective.

FINDING THE RIGHT PARTNER

While positioning the company as a partner of choice can successfully differentiate an organization within the competitive innovation ecosystem, some seek to be more proactive in their search for the right collaborator. Stephan Klaschka, former Director, Global Innovation Management and Strategy at Boehringer Ingelheim and now a freelance innovation consultant, says: "It's not just a case of relying on people coming to you, you need to search the market for solutions.

Part of the challenge is to find the right partner for your problem. At Boehringer Ingelheim, we were working with incubators, accelerators and innovation forums in order to be seen... as an organization having problems to solve, as one actively look-

ing for specific opportunities and solutions which may even come from an entirely different industry.

Stephan Klaschka, Innovation Consultant

Moreover, while there are established platforms and routes to collaboration—for instance, working with VCs, initiating a start-up competition designed to solve a specific challenge or perhaps working with a consultancy or tech specialist—serendipity is invariably involved.

"There might be a better opportunity somewhere else, so you have to look for it. That's part of the challenge; to find the right partner for your problem. At Boehringer Ingelheim, we were working with incubators, accelerators and innovation forums in order to be seen and to be able to be found as an organization having problems to solve, as one actively looking for specific opportunities and solutions which may even come from an entirely different industry."

Indeed, finding the right partner may involve looking in spaces where these innovators operate. "Sometimes you stumble upon a company that has a good angle on a problem. It might not be a big company, it might be a small one with something specific that is helpful for what you're doing."

CREATING SHARED VALUE

With a whole spectrum of choice for pharma to collaborate with, how do you go about selecting the right partner and building the relationship? “Who you want to work with depends on the type of problem you have, the kind of tools you are using or that they’re offering, as well as the type of process—so you don’t waste time and resources,” says Klaschka.

Creating shared value for both parties is essential in any collaboration, although what that looks like depends on the problem, and the size and maturity of each partner. Pérez Agenjo explains: “Start-ups need an element of support instead of bringing greater complexity and uncertainty. They are there to get knowledge, expertise, processes from us, as that is what they are lacking. In the end, this has to be a win-win opportunity and if you don’t deliver those things, you will not get the right equity the next time you try to engage outside. An element of consistency and taking it seriously from our side is key.”

In return, the pharma company gains in any number of ways, both externally and inside the organization: for instance, alongside customer-facing benefits such as acquiring the rights to market new intellectual property or the capability to assemble innovative solutions, there can be organizational advantages as well, including finding new approaches to internal operating problems or learning how to foster a more innovative and entrepreneurial environment.

KEYS TO SUCCESS

So, what are the key elements that drive a successful collaboration and build your reputation as a partner of choice? For Pérez Agenjo, clarity around objectives is vital. “We need to have a clear objective of what we want to do and achieve by partnering with the start-ups. It is important to have clarity inside the company around what you want to achieve from the engagement. Unless you have alignment on objectives, you will not be perceived as consistent by the start-ups out there.

“The element of trust is relevant. It has to be at least a mid-term objective. This cannot be a one-off event, because the minute you let down or miss on the expectations from start-ups that will be your equity next time you try to engage within the start-up ecosystem.

“The other one is to understand that many start-ups especially at the earlier stages do fail on their first objective, so we need to be ready for failure. Investing some of the company resources to get some return on investment within our current or traditional business plan periods, I think that is not the way. You cannot look at a start-up engagement with traditional business filters.”

Klaschka concurs with several of these points. “There has to be some volume of business but it is also about confidentiality and trust. Then it’s about finding the right partner for the problem you want to solve.” This latter point depends on the length of the relationship and the kind of problem space you’re in, as well as the specific area you want the partnership in—how broad—especially if you want to solve problems for a range

of business units. This involves finding the right partner with a breadth of capability.

Especially in the context of consultancy engagements, Klaschka flags up the ability to deliver quality results. Particularly important is help screening and managing the full process of dealing with the crowd. Speaking from experience, he says: “As a pharma company, you don’t want to see all the people on the street; you want to have an intermediary. The project needs to be managed and you want to keep your resources focused on the three or five solution candidates that come back, and not waste your time on 5,000 submissions that are not anywhere close to what you’re looking for.”

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*Angel Pérez Agenjo,
Senior Marketing
Director, Lilly*

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Klaschka also includes consulting creativity—especially the ability to frame the problem—“knowing what you’re aiming at, knowing where the highest chance is of getting some quality results back.” For instance, if you put out a problem, do you want just a white paper back? There’s a very wide range of variety and granularity. “You need some help in framing the right question so you get back the most powerful answer or most useful answer for your organization—and it might be a test-tube or it might be a white paper.”

Further useful advice includes starting small and scaling up, and, perhaps most importantly, ensuring you not only have senior buy-in (any transformation project is a non-starter without it) but also have agreed metrics on how to measure the impact of a project.

IMPACT

“This is the acid test, right? This is when you see whether there is real senior endorsement or not,” Agenjo declares. For Lilly in Spain, the partnerships are aimed at making the organization more open-minded, curious and innovative. “I wouldn’t say the metrics are soft but they are different from the traditional ones.”

Klaschka adds: “If you’re wasting money on open innovation stuff everybody is scared of what might come back. How do you define success in your own organization in order not to be shot down after the first job?”

The type of metric depends on what the leadership is buying into. “For instance, does senior management just want to see profits or make something 10% or 20% faster, or 100 times cheaper? Or are they going for how many ideas are being presented? How many people are engaged? It depends what you can convince your leadership of—what they are buying into. It’s usually just one number that’s important or one parameter. Try to get rid of the rest,” he concludes. •



Kemal Malik
*Responsible for
Innovation and the
Latin American
region*
Bayer
After graduating

in surgery at the University of London, Kemal spent several years in clinical medicine at the Northwick Park Clinical Research Centre and at Hammersmith Hospital, London. He then held various positions in medical affairs and clinical development at Bristol-Myers Squibb in the United Kingdom. Malik joined Bayer in 1995 as Head of Metabolism and Oncology Europe in the then Pharmaceuticals Business Group. He then served as Head of Global Medical Development before being appointed Head of Global Development. Kemal was a member of the Executive Committee of Bayer HealthCare AG from July 1, 2007 until his appointment to the Board of Management of Bayer AG. He was also Head of Global Development and Chief Medical Officer in the Pharmaceuticals Division.



Angel Pérez Agenjo

Senior Marketing Director

Eli Lilly and Company

Angel has served at Lilly since 2008 as

Managing Director, Denmark; Marketing Director European Mid-Size Affiliates EMS; and now Senior Director, Marketing, Capabilities, Commercial Operations & LSS. He headed the Marketing Automation Utilization project for the company, streamlining marketing agency services for Europe to create closer collaborations with startups and public bodies. Angel was named one of the 2015 Internationalists of the Year by The Internationalist.



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Stephan is a

healthcare and intrapreneurship consultant, investor and keynote speaker on innovation and transformation. He has special expertise in digital and social product adjacencies, new revenue models, artificial intelligence and predictive analytics, emerging technologies, and other business growth areas. He was previously CEO of the German Institute for Telemedicine and Health Promotion, Co-Founder/Partner at iQuit! Productions and Director of Global Innovation Management and Strategy at Boehringer Ingelheim.

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