



EDITOR'S DESK

BY MARC ISKOWITZ

Trials and innovations

These days it's not uncommon for a pharmaceutical company to launch an innovation unit. AstraZeneca and Pfizer have them, for instance, and the groups are tasked with applying digital technologies and services to problems facing the industry.

But what happens when one of these teams undergoes a breakup? Are these happenings to be perceived as a miss, or as simply a maturation, as Big Pharma seeks to innovate beyond drug development? And is it even fair to scrutinize a pharmco in this way?

Sara Holoubek interprets such shifts as "less of a setback and more of a signal of the golden age of experimentation. We have seen this in numerous organizations, and across industries."

As CEO of Luminary Labs, Holoubek has managed innovation projects for a slate of corporations, including the 2014 Merck | Heritage Provider Network Innovation Challenge.

Cautioning against reading too much into these developments, Holoubek posits the following: "Would we put this much scrutiny on a startup each time they reorganize? Absolutely not, and these companies are trying to do the same."

And that, to Holoubek, is the crux of the matter: organizational behavior. "How do you organize around adjacencies to therapeutics? It's an absolutely new model."

Many pharma companies, she explains, are testing "investment themes" around the areas of services, technology and data on the commercial sides of their business. This experimentation manifests in innovation challenges, hackathons and venture funds.

Often so-called centers of excellence end up getting folded into a team that has P&L. A couple of years ago Sanofi dissolved its INCC (Innovation and New Customer Channels) unit, a centralized innovation

team, and reassigned members to other parts of the company. For one, Dennis Urbaniak, who led INCC, became VP of Sanofi's US diabetes business. And after a tenure, he of course has moved on to Accenture.

"This is common," Holoubek observes. "You start an innovation team and figure out 'How do I get that awesome thinking into the P&L?'"

The shifts are not always inside the company. Take the case of Merck's medical information and innovation (M2i2) unit. Last fall its partnerships with organizations at the intersection of Big Data and health IT were reassigned to other parts of the company, in line with the reorganization announced by the drugmaker in October 2013.

Sachin Jain, who formerly led the unit as Merck's chief medical information and innovation officer, left this year for CareMore, a subsidiary of Anthem, leaving digital health solutions and data network strategy in the hands of two very capable team members.

Outside of pharma, major corporations that have innovation units have not been without their growing pangs, either. Holoubek points to retailer Nordstrom's having recently shrunk its four-year-old Innovation Lab.

But the phenomenon is "a relatively new thing for [pharma], and so I don't see shifts like these as a monumental fail; rather I think they're just suggestive that these organizations are learning how best to organize when historically they've been organized around a therapeutic or a pill."

That's a point to consider when we meet at next month's inaugural MM&M Transforming Healthcare Conference (April 30). We may be overly sensitive to risk taking of the non-molecular sort, but as with many other traditional aspects of healthcare, this too shall pass.

How should pharma organize around adjacencies to therapeutics?

Agenda



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