

## Gender tokenism and bias prevail in biotech boardrooms

A new study on gender diversity projects that at the current rate of change, it could take as long as 40 years for gender parity to arrive in biotech boardrooms. The report from London-based recruitment firm Liftstream found not only that women remain woefully underrepresented in biotech, but also that much of the imbalance stems from the old-boy culture that dominates venture capital firms and management circles (*Nat. Biotechnol.* **33**, 781, 2015).

Liftstream's report, released on January 24, looked at the corporate governance structures of the 177 biotech companies that conducted their initial public offerings (IPOs) in the US between 2012 and 2015 ([http://www.liftstream.com/women\\_biotech\\_boardrooms.html](http://www.liftstream.com/women_biotech_boardrooms.html)). It found that 58% of those newly public companies had at least one female board member, up from 48% in Liftstream's last industry survey published in 2014. But women still held only around one in ten of all board positions. And rarely did these women serve as the board chair or sit on the committees that exert the most influence and power, suggestive of an element of tokenism in the inclusion of women. "You can have a seat at the table, but whether your voice is heard is another thing," says Liftstream founder and CEO Karl Simpson.

According to Simpson's calculations, at the current rate, gender parity is four decades away. It is possible to speed that along but it will require putting many more female faces on board directories. Simpson has put a number to it: to ensure 30% of positions are filled by women in 2025, biotech boards would need to add 17-times more women in the next eight years than have been added in the past five. That's a tall order, but it's "absolutely doable,"

says Nina Kjellson, a general partner at Canaan Partners in Menlo Park, California. With a growing number of female executives in the industry, "we just need to be willing to look beyond the tried-and-true buddy networks."

That gender diversity can be good for a company's bottom line is borne out by numerous studies (<https://piie.com/publications/wp/wp16-3.pdf>). The Liftstream report is no exception. Simpson's calculations showed that companies with at least one female board member experienced an average share price increase of 19% between their IPO list price and August 2016. Companies with all-male boards showed an average decrease of 9% over the same time period. "Chairs and CEOs need to be incredibly wary about having all-male teams, because they simply won't make as good decisions as if they have diversity," says Kate Bingham, a managing partner at SV Life Sciences, a venture capital firm in London.

Bingham and Kjellson are 2 of more than 120 biotech leaders who penned an open letter to the industry on January 10 calling for improvements in gender diversity. The letter, spearheaded by the BioPharma Executive Council, a peer group of Boston-area CEOs, and the Massachusetts trade organization MassBio, outlined ten "best practices" for promoting female talent to senior management positions. These include mentorship programs, training courses, hiring process reviews, diversity goals and promotion tracking, among other initiatives.

"We're not going to be able to build the workforce we need for the future if we continue to keep this large percentage of women out of these senior level roles," says Jodie Morrison,

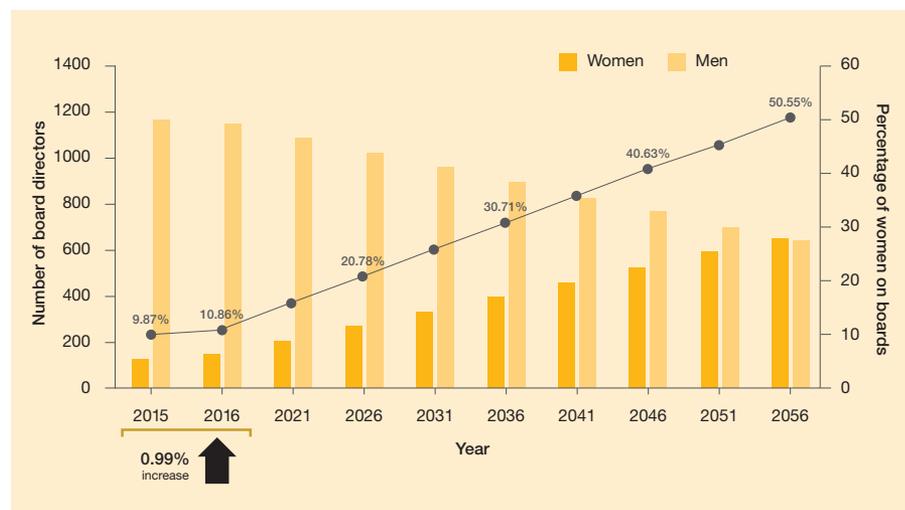
CEO of Boston's Tokai Pharmaceuticals and co-chair of MassBio's new Gender Diversity Initiative, which launched last September.

A notorious cocktail party that ran concurrently with the 2016 JP Morgan Healthcare Conference in San Francisco—at which LifeSci Advisors, a New York consulting firm, hired skimpily dressed models as waitresses—served as a wake-up call for the industry, says Bingham. "It has absolutely galvanized the topic" of gender diversity, she says. LifeSci has since tapped Bingham and others to serve on an advisory board for diversity issues. With their assistance, the firm created a database of close to 600 résumés from board-eligible female candidates that, according to LifeSci founding partner Michael Rice, the company plans to share with the wider biotech community.

Meanwhile, LifeSci is also sponsoring a training program for women who have had substantive managerial experience and are interested in serving on the board of a health-care-related company but are not entirely sure what that entails or how to go about getting picked for a position. Run by the professional development organization Women in Bio, the "Boardroom Ready" program takes place across five days in September and October at George Washington University's Executive Education School in Washington, DC; applications are being accepted through mid-March. The Harvard T.H. Chan School of Public Health in Boston now offers something similar each April.

Those efforts—along with other global initiatives such as Miranda Weston-Smith's BioBeat, a business network that draws up an annual list of 50 influential female leaders in the UK life science industry—should go a long way to shattering the myths cited for perpetuating biotech's gender disparity. One of the most common myths is the lack of women in the talent pool. "When you start to look for the women, you find them," says Weston-Smith, a biotech consultant in Cambridge, UK.

Another oft-repeated excuse for the gender imbalance is that women decline board invitations owing to family or other commitments. But Waverly Ding, who studies biotech entrepreneurship at the University of Maryland's Robert H. Smith School of Business in College Park, counters this argument. "Biotech tends to be more flexible and accommodating" than other industries, she says citing the findings of Boston University sociologist Laurel Smith-Doerr's 2004 book *Women's Work: Gender Equality vs. Hierarchy in the Life Sciences*.



At the current rate of progress, biotech boards will only reach gender parity by 2056, Liftstream's report shows.

## Merck KGaA lands four Vertex cancer programs

Vertex Pharmaceuticals, the Boston-based biotech known for developing novel cystic fibrosis drugs, has licensed four R&D cancer programs in its portfolio to German Merck KGaA. The Darmstadt-based pharma said in January it was paying \$230 million upfront plus royalties on future sales to develop and commercialize two clinical-stage programs to inhibit DNA repair pathways critical to cancer cell survival and two preclinical programs, one an immune-oncology target and another against a novel target. The most advanced compound is VX-970, in phase 1 and 2 trials, part of the ataxia telangiectasia and Rad3-related protein kinase inhibitor program. Preliminary data released at the 2016 American Society of Clinical Oncology Annual Meeting in June showed partial responses in platinum-resistant patients with advanced solid tumors. The compound is also being pursued by eight National Cancer Institute-sponsored trials. The other clinical candidate, VX-984, is part of a DNA-dependent protein kinase inhibitor program. Despite promising efficacy data, these programs fall outside Vertex's core focus areas. The collaboration with Merck KGaA will enable the pharma to assume full responsibility to develop and commercialize all the programs.

“As long as you live you'll never see photograph of seven women signing legislation about what men can do with their reproductive organs.” Tweet referencing a picture showing the president signing the executive order that restricts access to abortion by global healthcare providers receiving any US funding. The picture showed the president surrounded by seven men. (@MartinBelam, 23 January 2017)

“To some extent, the industry was led into [its image] problem by the rogue players. But to some degree, it's justly deserved and I don't think there's much they can do to change their reputation.” Ira Loss of Washington Analysis, a consultancy located in Washington, DC, thinks pharma's recent multi-million dollar ad blitz (“GoBoldly”) may not have the desired effect of restoring its public image. (STAT, 23 January 2017)

“Because of measures like this [FDA guidance on regulating gene-edited animals], almost everything in genetic engineering will have to be done by huge multinational companies. If the scientific community doesn't stand up and say this is crazy, we've done a disservice to innovation.” Alison van Eenennaam, of the University of California, Davis, comments on the proposed guidance to require safety and efficacy reviews of animals whose genomes have been altered. The deadline for the public commenting on the guidance is April 19, 2017. (Nature News, 19 January 2019)

That leaves what many experts agree is the single most important barrier to board entry: that the vast majority of board-qualified women simply aren't selected in the first place.

Therein lies the problem. At the early stages in a company's life, investors steer many of the management decisions and often sit on the boards themselves alongside the company CEO, and other CEOs who serve as independent directors. Women make up only about one-tenth of CEOs and venture investors in the biotech industry. That puts women at a severe disadvantage when board searches go looking for the usual suspects—which is why Vicki Sato, a professor at Harvard Business School in Boston, thinks the industry needs a “broadening of the criteria” for what's seen as desirable in a board director. Board searches need to look at the deep bench of female talent in a firm's C-suite, she says. These women can “bring a lot of information and relevant experience to the table,” Sato says.

Biotech headhunters like Gabrielle Lajoie, co-head of global healthcare recruiting at the executive search firm Russell Reynolds in San Francisco, say those are exactly the types of women being appointed to boards today. Ten years ago, most of Lajoie's clients only wanted CEOs. Now, “board searches have become much more focused on the functional expertise companies need”—be it financial, clinical, commercial or other. That has resulted in a steady uptick in female recruits for board roles. In the past five years, for example, 18 of the 70 biotech board members appointed with Lajoie's help were female. Last year, the proportion ramped up to almost half. And although Lajoie is sometimes asked explicitly to find a woman to address diversity disparities, “in most cases,” she says, “it's just that they're the best candidates.”

Abbie Celniker, who became a partner last year at Third Rock Ventures in Boston, sees change afoot in the investment community as well. “We have turned a corner,” she says. “We are seeing more women in the pipeline for venture—and that will help.” Kjellson also expects there to be a positive-feedback effect. “Once you begin to diversify your ranks, that only invites more diversity.” She herself says she decided to join Canaan Partners in 2015 in part because of the venture firm's personnel makeup. Canaan now has five women on its 15-person team of investors leading deals, and a broad range of ages, ethnicities and nationalities on the staff as a whole.

Still, many think the numbers are moving up too slowly. And so a handful of European

countries, Belgium, France, Germany, Italy, and Norway, have introduced quotas for female board membership. A few other countries have optional quotas or comply-or-explain best practice recommendations. This has resulted in an upswing in the number of women in board positions at publicly listed healthcare companies—from 13.6% in 2011 to 23.4% in 2015, according to European Women on Boards, a Brussels-based non-profit organization.

Incentives offer another way to drive up gender diversity. Rosana Kapeller, CSO of Nimbus Therapeutics in Cambridge, Massachusetts, suggests it could be tied into the reward packages executives receive each year. “Once it becomes a business imperative, and it is tied to their bonus,” she says, “I bet things will change.”

Women have, to date, been the most vocal proponents of gender diversity. But according to Annalisa Jenkins, real change will only come when more men join the fight to upend the industry's old-boy culture.

“They're the ones who will make a difference,” says Jenkins, CEO of Dimension Therapeutics in Cambridge, Massachusetts. And although Jenkins is encouraged to see men increasingly picking up the mantle of diversity, she wonders whether it will result in change. “In the next 12 to 24 months comes the judgment: are we shifting the numbers?” she says. “Because right now, the numbers are appalling.”

Terry McGuire, a founding partner of Polaris Partners in Boston, hopes to be part of the solution—which is why he regularly speaks out on the issue and has been actively engaged in the US National Venture Capital Association's Diversity Task Force. “A lot of the battle is one, saying there's a problem, and two, committing to do something about it.” What's more, “it's not just about gender, it should be about race as well,” says McGuire, a white male. “We unfortunately have too few examples of men or women of color in our business.”

Gender is possibly the easiest characteristic to quantify. A name in a regulatory filing will usually reveal whether a board member is male or female. That becomes much more difficult to do for race or some other demographic factor. Simpson expects that diversity will beget more diversity. “If you can make a breakthrough on gender, then you probably are culturally shifting the mindsets of people towards the value and benefits of diversity overall.” This, he says, should “dismantle some of the barriers” towards a pluralistic—and profitable—biotech industry.

Elie Dolgin Somerville, Massachusetts