

YOUR CAREER IN “SPECIALTY PHARMA”

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It's no surprise that this year's list of executives "heading to the top" come out of the specialty pharma sector of our industry. This is the sector defined as therapeutics targeting diseases treated by physician specialists. Today, these products range from small molecule compounds to biologics and are often characterized by their focused patient populations and high prices. Ever since the first human biologic products were introduced in the late 1970's and Wall Street became enamored with the economics of this sector's business model we've seen rapid growth of new specialty therapeutics leading to an estimated one-quarter – or \$75 billion – of U.S. based sales coming from this sector of the pharmaceutical business. *To put it simply, specialty pharma is the growth engine of the U.S. pharmaceutical industry and the industry's best talent is taking the leadership positions within this sector.* So, what are the challenges companies face when first entering specialty pharma business and what skills and experience are these organizations looking for in their senior executives?

The Challenges of Specialty Pharma

The primary challenge for achieving commercial success that appears unique to specialty pharma is "organizational focus". There is a greater level of complexity with the targeted disease, the healthcare delivery and the therapeutic than is typically seen with primary care products. To be successful the organization must focus a range of medical and commercial resources. In many cases the medical conditions are so rare that a medical specialty to address the condition does not exist. The company must develop and facilitate the relationship among the healthcare provider, the patient, and the payer. The objective here is to ensure that the patient has access to both healthcare providers and the therapeutic and the payer is providing coverage within the therapy's approved indication. For smaller companies with a single product or several products in a single therapeutic area there is typically complete alignment and organizational focus on these goals of the business. For "big pharma", the organizational focus required can be very challenging. The large companies that have been successful in specialty pharma have most often developed a separate and independent organization to focus on a specialty therapeutic area such as oncology or immunology. "Big Pharma" typically runs into trouble when simply trying to fold specialty pharma products into the traditional organization designed for primary care products.

The Executive Skills for Success in Specialty Pharma

The *basic* skills and experiences necessary for a successful career can be gained in either a primary care or specialty pharma setting. However, advancing your career will almost certainly require a move into a specialty pharma role – preferably early in your career. Many of the candidates we recruit for specialty pharma clients have a particularly broad background with early experience in primary care products at big pharma companies and more recent experience with specialty or biologic products. These executives understand the interrelationship among payers, physicians, and patients and enjoy being closely involved with their customers. They have a clear vision for the business based on solid understanding of the underlying science and market dynamics and ability to communicate their vision in a way that engages the organization. In addition, the business model for specialty pharma is often heavily dependent on sales outside the U.S., making executives with international operating experience particularly attractive.

The Future of Specialty Pharma

All objective indicators suggest that the specialty pharma sector will continue to occupy an increasing portion of the U.S. pharmaceutical market. Revenue growth rates for therapeutics administered by physician specialists are approximately 10 times that of primary care physicians – a trend that is expected to continue. Advancements in the development of bio-similars, gene therapy will contribute to the long term growth of specialty pharma. This is where the greatest need for talent lies.