



Innovation-Focused And Agile: Healthcare Leader In The Digital Transformation

Pharma-, Medtech-, Biotech- und Diagnostic-industries are experiencing ubiquitous change. Strong silo-mentality and tough regulatory forces in the healthcare sector create challenges for employees and leaders alike. In addition to that, trends such as reduced innovation in R&D departments and mounting digitalization of products and processes are increasing the complexity in the work environment. To solve the tension between the constant pressure to change on one hand and the rigorous structures

on the other, organizations are looking for tools and methods that increase innovative thought and action.

How can this be successful without overtaxing the change readiness and ability of the organizational culture nor underestimating the impact of existing rules and regulations? Potentially one key to solving the riddle is a school of thought that came up during the beginning of the Internet-age: **Ambidextrous Leadership**¹. In combination with clear expectation management, this leadership style can become a lever for high agility, which is needed by the innovation-dependent healthcare ecosystem.

The concept of „Ambidextrous Leadership“ is not new.

It dates back to the time when traditional "brick and mortar" companies were struggling to become operational in the online world at the advent of the Internet age: "Online" was not only new, but different: Changing strategies, new competitors, novel business models, adapted processes, diverse employee profiles. Companies that could manage these two worlds concurrently - as so-called two-speed organizations - were more successful than those who tried to run the emerging online business with the same structures and rules as their traditional business models.

Let sources of Innovation bubble up.

What does that mean in the context of pharmaceutical companies in the age of digitization? Internal research departments are generating fewer innovations organically. More and more frequently university spin-offs, small research laboratories and start-ups are innovating through leaner organizations and cost structures, shorter reconciliation processes and fierce entrepreneurial drive. Since Big Pharma urgently needs these innovations for market growth, they acquire those smaller entities or forge partnerships.

In order to ensure that a newly identified source of innovation does not stall, it takes leaders who can master [read: foster, harvest and manage] the diversity of both worlds. To be agile means for Leader to do both:

- 1) co-create, think and act within the culture of the co-operation partners
- 2) keep an eye on how the idea, the prototype, the orphan drug becomes not only a marketable product gaining approval but also meets the commercial expectations of Big Pharma.

¹ <https://hbr.org/2004/04/the-ambidextrous-organization>



Successful leaders manage to achieve this "ambidextrousness" by a high degree of agility in their thinking and acting² when working with the differences in e.g., the speed of processes or mindsets of employees.

Expectation Management: The "Knowing-Doing-Gap"

We all know that clearly communicated expectations greatly contribute to smooth operations. Nevertheless, many have a hard time communicating expectations of results to be achieved, lived values and, to some extent, behavior in clear, simple and open terms to our environment. Fixed processes and lengthy planning horizons are often ineffective in today's environments and are replaced by a results orientation, which is guided by values and cultural norms. For this to work in the daily operations, [some] managers have to leave their comfort zone and express concretely, what they want to see achieved, without intervening too much in the technicalities of 'how it is achieved'. Then innovation can unfold.

9 activities leading to more agility for [healthcare] leaders

Simple actions can help us to become more ambidextrous and hence create more nimble organizations – here a few ideas:

1. Focus on a goal that the team develops, shares and tracks.
2. Monitor the market continuously, recognize changes in time and respond promptly³
3. Role-model changes with your behavior – do not just trigger change, [ie: do not stick rigidly to plans, but respond flexibly to suggestions and market changes]
4. Demonstrate, promote and demand high-quality thinking [and thus achieve better results]
5. Proactively and courageously ask for feedback [and build an effective feedback culture]
6. Inspire and motivate others to bring their best self to work [Integrative management creates listen-up-speak-up cultures⁴]
7. Accept that leadership exists throughout the organization [if you give employees the freedom to act so they feel engaged, empowered and committed]
8. Be open to being influenced and persuaded by others [because those who are directly confronted with the problem often have the best solutions - regardless of title or status]
9. Allow errors as long as they are used as a basis for improvement and learning processes [to get into the fast pace mode of testing-learning-change-testing]

Conclusion: Simple actions of agility allow executives to be more innovative in highly complex work environments, bridge the gap between the "old world" and digital transformation, between traditional drug selling and patient focus, between clinical drug approval trials in mass markets to personalized and digitized therapies, all the way to individualized drug manufacturing with 3D printers.

Start today with being more explicit in your expectation setting around what needs to get accomplished!

TAGS – KEYWORDS

Pharma leader, Leadership, Ambidextrous Leadership, Big Pharma, Agility, Digital Transformation, Healthcare

² Based on hypotheses of the Agile Business Consortium – Culture and Leadership Workstream April 2017
<https://www.agilebusiness.org/resources/white-papers/culture-and-leadership-the-nine-principles-of-agile-leadership>

³ Pharma M&A: Agile Shouldn't Mean Ad Hoc, McKinsey and Co., (Accessed Aug 2018) -
<https://www.mckinsey.com/business-functions/strategy-and-corporate-finance/our-insights/pharma-m-and-a-agile-shouldnt-mean-ad-hoc>

⁴ siehe auch "Innovation, Diversity & Market Growth", Center for Talent Innovation, 2013 -
http://www.talentinnovation.org/_private/assets/IDMG-ExecSummFINAL-CTI.pdf