Biotech CEOs: Can Scientist Founders Remain In Charge?

Founder-CEOs do not typically remain at the helm as biotechs mature. Exceptions to that rule are multiplying, though, especially in Europe as companies aim directly for Nasdaq.

Composition: KennyK.com and Janet Haniak

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Most companies start out with a scientist in charge, often a scientist-co-founder. But he or she will typically lack the skills (and sometimes the will) to lead a company beyond discovery or early development.

Moving a scientist-founder aside can be challenging, both for investors and leaders. But there are exceptions - founders that do carry their companies to later-stage success. What are the skills required?

In Vivo reviews the many, varied paths toward the biotech CEO position, and the talents that all leaders need, regardless of their background.

There are several high-profile examples of biotech leaders who have seeded, nurtured and grown their companies into profitable, sustainable organisations. Josh Boger founded Vertex Pharmaceuticals Inc. in 1989 and was CEO for twenty years, building a $43bn behemoth. Jean-Paul Clozel, with wife Martine and two co-founders, built Actelion Pharmaceuticals Ltd. into Europe's largest, most successful biotech, finally succumbing to a $30bn offer from Johnson & Johnson in 2017. Art Levinson – not a founder, but a very early employee at Genentech Inc. – was promoted from R&D chief to CEO in 1995, defying skeptics to build the industry leader. The message from these success stories: science rules, not just at the start, but all the way.

These individuals are exceptional, however. Few combine the broad skill set (and dogged perseverance) required to discover and fund a scientific innovation, as well as turn it into clinical and commercial reality. Most companies start out with a scientist in charge, often a scientist-co-founder. But he or she will typically lack the know-how (and sometimes the will) to lead a company beyond discovery or early development. So once technological proof of concept is established, many investors will seek a CEO with more experience selling ideas to investors, including potential partners. Leadership transition becomes necessary.

"Often it is not ideal, or appropriate, for the founder-inventor to be the company's CEO," said Jonathan Tobin, investment director at London-based Arix Bioscience. In the case of high-profile academic founders like Nobel-Prize-winning Sir Gregory Winter, there is no issue: they would not want to leave their academic post anyway. Their technology or discovery forms the kernel of a commercial venture and they become members of the scientific advisory board.

But there is another breed of scientist-founder: PhD-carrying entrepreneurs who want to personally help translate their ideas into the clinic. This group is hugely valuable for getting ideas off the ground when it's all about the science. But few are equipped to lead a company beyond discovery. "The tough part is when you transition into development," said Morten Dossing, partner at Novo Seeds, which, like many other early-stage VCs, creates companies as well as investing in them.

Entering the clinic drives up costs and risks. The company's needs move beyond managing science, toward managing a growing palette of investors, and wooing the next round of cross-over or even public backers. For that, a leader must be sufficiently versed in finance to be able to assuage investors' concerns, and know "how to ask the right questions, and hire the right people," said Dossing. Such skills can be learnt. But an experienced CEO with an existing investor network will often be able move a lot faster and more efficiently. Founder-CEOs taken out of their comfort zones can often mean R&D "timelines begin to slip, and experiments are no longer conducted properly," warned one European-based investor. "Quality assurance can be a problem."

From the other side of the fence, scientist-CEOs feel the heat of investor scrutiny, especially as larger funding rounds accumulate. Investors begin to question "are you the one to deliver a good exit strategy?" said one scientist-CEO. "You could get your job curtailed quite fast if they don't think you're the person for the job," said Niall Martin, scientist-CEO of Cambridge, UK-based DNA damage repair response company Artios Pharma Ltd., and previously a co-founder and interim CEO of Mission Therapeutics.

The transition from founder-CEO can happen smoothly. There are dozens of examples of CEOs moving fuss-free, and often with some relief, to a chief scientific officer (CSO) position, allowing a more experienced chief executive to take over. The key is managing expectations, and tempering egos. If the founders know that "this moment is bound to happen," there is no problem, said Antoine Papiernik, managing partner at Paris-based VC Sofinnova Partners. Even in cases where leaders leave the company entirely, if the parties can discuss sensibly and put the company's fortunes ahead of their own, "it needn't be a trauma."

Some incumbent scientist-CEOs appear to agree. "It's more important that the company succeeds, than that I keep my chair," said Thomas Pedersen, co-founder and CEO of NMD Pharma AS. "I want this [company] to be the kind of place where we can have the conversation [about who is best for the role] and figure out the way forward. I want to be self-aware," said Emmanuel Simons, co-founder and CEO of Boston-based gene therapy company Akouos.

Misaligned Interests

Still, there are plenty of cases where "you may need to extract management with a chainsaw," admitted another investor. These situations tend to arise when a lethargic board has waited too long, letting a bad situation worsen. Each case is unique, but scientist-CEOs may be more likely to want to run a wider range of experiments, lacking focus. They may also have a deep personal attachment to the technology or approach, clouding judgment of its clinical applicability. Many investors, on the other hand, are singularly and objectively focused on the next inflection point: a data read-out that triggers another funding round (at a higher valuation), a lucrative partnership, or a sale.

The interests and the vision of CEOs – especially founder-CEOs - often diverge from those of the board and shareholders, even when the founder does step aside into a CSO or alternative role. Such misalignments arise in "over 50% of cases," according to one prolific investor (though they needn't always lead to the CEO's departure). Given how biotechs are built and funded, in most cases "a founder-CEO quickly loses control of the company," said serial founder and CEO Arnon Rosenthal, currently heading up San Francisco-based immuno-neurology company Alector. Founders' ownership percentages typically fall into low single-digits once significant funds have been raised. That means "the only control you have is your ability to convince investors that you can add value," said Rosenthal, who previously co-founded and ran Annexon Bio, and also co-founded and was CSO at Rinat Neuroscience, sold to Pfizer in 2006. (Another recurring point of tension between management and board is whether and at what stage to sell out. (*See Box: To Sell or Not to Sell.*)

For many private investors, "adding value" means generating tangible progress that enables a profitable exit. That in turn means carefully allocating limited existing funds, perhaps focusing on just one or two programs. Yet "very few scientist-CEOs that I have seen are sufficiently focused on that [capital allocation]," reflected one early-stage investor. "Many lack the skill-set to run a capital-hungry company."

Assembling CEO Skills: Teamwork And Humility

They can learn those skills, though, just like non-scientists do. Indeed, "I think the finance is easier to pick up [for a scientist] than the science would be for a finance guy," noted NMD's Pedersen. A physiologist and associate professor at Aarhus University, Pedersen created NMD to turn his discovery of a new way to strengthen communication between nerve and muscle fibres into new treatments for neuromuscular disorders. During these early days – NMD raised a series A in 2018 – having a scientist at the helm is vital. "We have intense scientific debates...and I'm well prepared for that."

Learning to build and manage a team is a key skill for any aspiring manager, scientist or otherwise. As that team is

TO SELL OR NOT TO SELL?

Actelion's Clozel (who became CEO after the company's 2000 IPO) convinced his shareholders to resist multiple takeover offers over the course of Actelion's evolution, including when facing additional pressure from activists. Edwin Moses, ex-CEO of Ablynx, said several board members resigned as the company turned down an initial low-ball acquisition offer from Novo Nordisk. It is not just about opinions; liabilities and fiduciary duties are at stake for board members representing the interests of a broader shareholder base.

built, one of the hardest yet most important parts for a scientist-CEO is "giving up the science, as it's your natural home," admitted Artios' Martin, who initially served as both CSO and CEO. Pedersen agreed that letting go of the detail in the science is difficult, but necessary. "You have to trust your team," he said, adding that "they [the R&D team] are now probably better than me anyway."

Humility is another required trait for emerging CEOs – alongside confident leadership. "You need to be honest about what you don't know, and build a team around you that can support you in your weaker areas," said Pedersen. Rosenthal goes further. "My goal is to be the worst person in my company," he said. "If someone can be a better CEO than me, I'll give them my job."

As for resource allocation and managing investors, "it's challenging," acknowledged one first-time CEO. "We were criticised at one stage for looking at too many projects." What's important, he said, is to have a clear clinical line of sight. And tell investors the truth, "especially when things are likely to take longer than they expect."

Scientist-CEOs are clearly learning fast: Alector pulled off a $176m Nasdaq IPO in February 2019. NMD raised €38m ($47m) in 2018. Artios brought in a £65m series B in late 2018 – 30% more than it had set out to raise.

Staying In The Driving Seat

But no one is getting too comfortable. These CEOs know they may be moved aside as their companies progress. All face a constant battle to prove to investors that they are the right person for the job – not just delivering the science, but spotting and executing the next big deal or IPO. "They are looking at you as an individual; how you think about your strategy, how you discuss and interact with them. They are constantly assessing the team you have built around you," said one scientist-CEO.

Having longer-term investors may extend scientist-CEOs' time in the driving seat. Local backers in some parts of Europe are driven, at least in part, to help build a biotech ecosystem and support new talent. Even in the US, some entrepreneurs may be in a position to select patient investors that may offer the company a longer runway. Rosenthal did during Alector's early stages, and first-time CEO Simons, too, had the luxury of choice thanks to working in a red-hot field (gene therapy for the ear) with high-profile scientific co-founders and a top-notch network.

Some scientist-CEOs will remain primarily scientists, even as they manage a company through a public listing and beyond. (*See Box: A Personal Vision.*) Some will return to the science, while others will transition to become more conventional leaders. There are no hard and fast rules; "you have to sense" an individual's potential, taking into account the surrounding circumstances – the science, the characters, the investors, said Christian Schetter, entrepreneur-in-residence at Arix Bioscience, which builds and invests in biotech companies. Schetter was previously CEO of Neovii Biotech and Rigontec (acquired by MSD) and an SVP at Coley Pharmaceuticals prior to its acquisition by Pfizer.

Direct-To-Nasdaq Builds Europe's CEO Talent

In Europe, most biotechs are acquired before getting much beyond mid-stage development. Europe's risk-averse public markets – relative to the US - mean few groups are able to raise the funds they need for Phase III trials. The result: few European biotech CEOs get the chance to experience an IPO, compounding an existing talent shortage.

Going public is not the obvious job for scientist-founder CEOs, especially those seeking to keep their noses in the lab. An IPO involves months-long investor road shows. The science is important; the investment proposition more so.

Yet plenty of US scientist-leaders have done IPOs, given more generous and dynamic public markets that are prepared to support companies at an earlier stage. Harren Jhoti co-founded Cambridge, UK-based Astex in 1999, becoming CSO then CEO. The company was acquired by Otsuka Pharmaceuticals in 2013 and today operates as a wholly owned subsidiary with Jhoti as president and CEO. He noted that, if Astex had been in the US, the company would have listed several years earlier, in 2005/2006. "We may then have become a more commercially-focused, with a stronger drive to take one of our internal products to market ourselves rather than establish partnerships with pharma," Jhoti said.

Europe's dispersed biotech hubs and different languages and cultures present another challenge to building the local CEO talent-pool, since top executives cannot always be found (or be willing to move) near the sites of company-creation. In sum, although the region "has more capable CEOs than 15 years ago, the quality and quantity is still an issue," said Sofinnova's Papiernik.

As more European companies list directly on Nasdaq, that might change. "The only way forward for European biotechs is to go to the US," said Edwin Moses, who, as CEO of Ablynx oversaw both a local Belgian listing in 2007 and, ten years later, a US IPO. "We realized we were failing to get properly valued" in Europe, he recalled. Armed with Phase III data, the company raised $230m on Nasdaq, before selling out to Sanofi for $4.8bn the following year.

Next-generation CAR-T cell therapy company Autolus, founded in 2014 as a spin-out of University College London, did not even bother to list at home. The London-headquartered group raised

A PERSONAL VISION

Alector CEO Arnon Rosenthal views CEO-ship not as an end in itself, but as the most efficient means by which he can realise his vision of developing new drugs for degenerative brain disorders (underpinned by personally-discovered science). For Rosenthal, talking with investors and other business activities are "distractions" – though he acknowledges their importance. The CEO title does "significant damage to the science," he reflected – especially during an IPO. But how else to fund clinical programs in very expensive indications like Alzheimer's? Apart from the money, an IPO also represents "a reality check," Rosenthal said. "How competitive are we really?" Alector's shares are up 30% since listing.

$150m in a Nasdaq IPO in 2018, with assets still in early development. So did UK gene-therapy company NightStar Therapeutics (now being acquired by Biogen). Autolus is run by Christian Itin, who saw the benefits of a US listing back in 2006 as CEO of German antibody company Micromet. He reverse-merged with listed CancerVax in order to access US investors and facilitate follow-on funding. Micromet was acquired by Amgen in 2012.

Scientist-founder CEOs with a track record of making their investors money are more likely to be let loose with an IPO. Ernest Loumaye, co-founder and CEO of reproductive health company ObsEva, listed his Swiss-based group on Nasdaq in 2017, a year before a local IPO. Loumaye, a gynaecologist and professor of reproductive endocrinology, had partial experience of a US IPO with his first company, PregLem, cofounded in 2006. Loumaye was preparing to take PregLem public in 2010, "we had all the documents ready, the due diligence was done, and the lawyers were on hand." Then Gedeon Richter offered to buy the group, making some investors over six times their money in three years.

ObsEva was seeking US money to fund the launch of lead asset nolasibam, in Phase III trials as a treatment to boost IVF success rates. US investors' attitudes to this kind of regulatory and commercial risk contrast starkly with many of those in Europe, remarks one CEO. "The US financiers will ask, 'Are you sure you have a large enough sales force?' while the Europeans are worried about how quickly you can dismantle the sales force you do have, in order to minimise losses if the product fails."

Plenty of aspiring scientist-CEOs want to – and likely will – join this expanding pool of IPO-experienced European leaders. But sometimes European private investors want a leader already familiar with, and connected within, the investment world. David Solomon had been running healthcare investments at an early-stage venture capitalist in New York before taking over as CEO of Denmark's Zealand Pharma in 2008, replacing scientist-founder CEO Professor Eva Steiness. Free from the shackles of a founder's vision, Solomon carried out what investors wanted: more non-dilutive partnership funding from over half a dozen collaborators, and a local IPO to help build the in-house pipeline (a first IPO attempt in late 2004 had failed). By the time the company listed on Nasdaq in 2017, Zealand's board had appointed another, more commercially-focused CEO to oversee the company's maturing assets.

Solomon has a US IPO in his sights as CEO of UK-based Silence Therapeutics, working in the fast-evolving field of RNA interference. He's seeking to revive the fortunes of this 25-year old company whose UK-listed share-price, and pipeline, lag behind those of leading US RNA players like Alynlam Pharmaceuticals.

From an investor point view, "having done [a Nasdaq IPO] before is clearly a plus" in choosing a CEO, said Sofinnova's Papiernik. But, he continued, "it is not about the process. Anybody can do that. It is about knowing the public investors and having their trust before you even start." Solomon, like many other European biotech CEOs, spends a week a month in the US building share-of-voice with future investors. "I'm telling the story over and over, so that when it's time for a transaction, we'll have that support base," he said. "The most important thing as a CEO is to go there again and again. There is no substitute for shoe leather."

CHAIR-CEO: TWO IS BETTER THAN ONE

One of a CEO's most important relationships is with the board of directors. Boards – representing shareholders – hire CEOs to run the company on their behalf. The chair of the board can help a CEO to align investors and keep them on-side. A chair can flag up differences of opinion before they develop into damaging disagreements. He or she will help ensure board members are appraised of a CEO's plans before formal meetings, and may gauge each member's reaction to those plans as they are presented. "If you had to do all that as CEO, you would be overwhelmed," said Arix's Christian Schetter.

A good chair also brings to a CEO complementary skills, experience and an expanded network. This is especially important for first-time CEOs, including scientist-CEOs. "The chair and CEO fill each others' gaps," summed up SV Health Investors' managing partner Kate Bingham. She cited "heavyweight" chair Pierre Legault at Artios as a key ally to first-time CEO Niall Martin.

In some biotechs, particularly in the US, the CEO and chair may be the same person. Many European investors and executives see this as bad practice; in some markets like Germany and the Netherlands, governance laws do not allow it. Combining the roles may make for faster decision-making in a company's early days, but later on, too much power residing with one individual could raise governance issues. Some companies with combined chair-CEO positions, like UK-headquartered, US-listed Autolus, have standing committees and charters to meet governance requirements. But "they are different roles, so separating them is a tremendous advantage," opined Arix's Schetter. An independent chair can also provide a check on a leader's strategy: activist investors in troubled Allergan, seeking change, recently tried to wrench away the chair role from CEO Brent Saunders. They failed a first attempt, but Saunders agreed to split the roles – when the next CEO joins. The story rolls on, though; as *In Vivo* went to press, all options appeared to be back on the table.

Moses was chair and CEO of Ablynx until the roles were split in 2013, after Pfizer returned a key asset and shares plummeted. Although opposed to the timing of the move, which he felt showed a lack of confidence in management, "in the end, splitting the jobs was the best thing we did," he said. "It was much easier to do the CEO job" thereafter.

HONEST CEOS ON…

THE JOB

"The hardest part is to stay focused despite uncertainty. To convince people, internally and externally, that the risk is rational and that diversification often increases rather than decreases risk."

– **ARNON ROSENTHAL,** CEO and founder, Alector Therapeutics

"Give your staff ambition and confidence. Don't try to pull the wool over their eyes."

– **EDWIN MOSES,** ex-CEO, Ablynx

GOING PUBLIC

"Going public makes you grow up. It brings a formality. You need to be more rigorous – in both internal and external communication."

– **ARNON ROSENTHAL,** CEO and founder, Alector Therapeutics

EGOS

Once you are in the job, "it's important to put aside your ego and kill things early. Don't invest your time, your money or other people's money in anything that's not viable; in a project that has become an extension of you. If you're too connected to an idea, you are not going to be flexible enough as outside circumstances change."

– **DAPHNE ZOHAR,** founder and CEO, PureTech Health

Being asked to be CEO is a thrill and an honor. But it's important to "do your diligence carefully. Find out who is in control of the company. What are the issues? What do the shareholder(s) want? What are their constraints? Will they pull in the same direction?"

– **DAVID SOLOMON,** CEO, Silence Therapeutics

It's Lonely At The Top

All CEOs need a strong team around them. Each CEO may perform slightly different tasks based on his or her competencies. This does not matter, "as long as all the important functions are covered and people work well together," commented Sander Slootweg, managing partner at VC firm Forbion. He cited the example of oncolytic virus company Replimune, run by scientist-co-founder Robert Coffin (also founder and Chief Technology Officer of BioVex, sold to Amgen in 2011). Investors were comfortable with Coffin as CEO, knowing that former investment banker and BioVex CEO Philip Astley-Sparke was at his side as executive chair. "They [Coffin and Astley-Sparke] worked well as a team. They knew each other's strengths." Replimune raised $100m on Nasdaq in 2018.

Yet even amid a tight-knit team, being a CEO can be a lonely job. Whatever your background, "everyone wants to tell you you're doing it wrong," said one CEO. "You have to be able to go into a dark room, reflect upon your decisions and then have the confidence" to follow them through, whatever others are saying. "It's no good flipping on what this or that [individual] board member says," he continued, though if the whole board questions you, you may have a problem. A good chair can help avoid that situation. (*See Box: Chair-CEO: Two is Better Than One.*)

CEOs have the power to make things happen. That is what draws people to the top-job. Yet CEO-ship also means remaining outwardly confident amid near-constant uncertainty and challenge, and being comfortable addressing a wide range of issues, often concurrently. "You have to be able to hold lots of balls in the air, and enjoy the feeling of doing so," said Nikolaj Sorensen, CEO of Stockholm-listed specialty pharma firm Orexo AB. The buck stops with the CEO, who is under pressure to lead, and to manage the priorities of, employees, the board, and shareholders. As for being a CEO more than once, notes one serial scientist-entrepreneur: "it takes a certain kind of insanity."

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THE MANY PATHS TO BIOTECH CEO

There is no single path toward becoming a CEO. The job requires many different skills, often concurrently: sharp analytical capabilities, strategic thinking, clear communication with multiple audiences, curiosity and perseverance. It demands strong leadership but also humility, and a willingness to acknowledge mistakes and knowledge gaps.

CEOs emerge from a variety of backgrounds. In biotech, science training is clearly very helpful. But for later-stage companies – in development and beyond – a science degree or PhD is not necessary. Being too involved in the science can even be a disadvantage. What is important for the top-job in biotech, according to CEO-turned-investor Christian Schetter, entrepreneur-in-residence at Arix Bioscience, is having experienced "lots of different kinds of challenge across your career." Whether these challenges were in development, manufacturing, marketing or IT, what matters is appreciating the significance of each, and learning from them.

"You don't need to be experienced in everything. You just need to know enough to ask dangerous, critical questions; to be the one who can step out of, and see across, specific business functions and areas of expertise," Schetter said. You also need to adjust to the situation in hand. Each company will face particular technology-, market- and/or investor-related challenges.

LAW AND ECONOMICS: Nikolaj Sorensen, CEO And President Of Orexo

"I'm an economist with a law degree," said Sorensen. That law degree would become far more relevant than he'd "hoped or dreamed" as he took over the helm at Orexo AB in 2013. Orexo markets Zubsolv (buprenorphine and naloxone), used to treat dependence on opioid drugs like heroin and oxycodone. The field is competitive and politically sensitive too, given the US opioid addiction crisis. One of Sorensen's first tasks as CEO was dealing with defeat in a patent dispute with generics firm Actavis. Another was managing a divorce from Orexo's European commercial partner, Mundipharma, which decided for strategic and PR reasons to exit opioid dependence treatment.

"CEOs are the last resort [to settle partner disputes] before arbitration," said Sorensen, who had previously worked at consulting firm BCG and as managing director of Sweden for Pfizer. As such, understanding the content of contracts, and some of the principles of law, "is a relatively big part of the CEO job." Unlike functional experts, CEOs don't get asked only about marketing, development, or commercial issues. They have to address all of them – and most involve a legal aspect.

SALES: Edwin Moses, Ex-CEO Of Ablynx

For Edwin Moses, who ran Nanobody company Ablynx for 12 years, a training in sales was a great preparation for being CEO – where the job "is selling the company and the idea behind the company," he reflected. Moses had a PhD and Post-doc when he started out selling high-value reagents to scientists. "The principles are very transferable," he said – taking great science and working out how to extract commercial value from it. After gaining exposure to shareholders and the investment world through working alongside the CEO at Italy's Raggio Italgene, he joined tiny chemistry services company Oxford Asymmetry as CEO. "You never know what you need. You feel under-prepared," when taking the top job for the first time. And Oxford Asymmetry, which became profitable, provided vital training in "paying proper attention to costs and margins," added Moses – an experience that those coming up through traditional loss-making biotechs may miss. Understanding the importance of cash, and the various sources of cash, would prove key during Moses' tenure at Ablynx, which raised over $1bn from investors and partners before its sale to Sanofi.

FINANCE: Biresh Roy, CEO Of Ascension Healthcare, plc

Biresh Roy, CEO of Ascension Healthcare, knows about P&Ls. He was formerly chief financial officer at respiratory-focused biopharma Verona Pharma PLC, and joined Ascension in that capacity, where he served for only months before getting the top-job. Having just completed the annual accounts, Roy understood "where the real value resided" in this highly complex group (previously known as Pro Bono Bio). Over the years, Ascension assembled a diverse range of companies and assets, and a palette of demanding investors, including three Berkshire Hathaway pension funds and Russian state-funded Rusnano, which supports the nanotechnology industry.

As CEO, Roy is focusing on building sales of FlexiSeq, a marketed OTC product for osteo-arthritis joint pain, and on advancing a clinical pipeline of potential treatments for haemophilia A, including PEGylated intravenous and sub-cutaneously-delivered forms of the blood-clotting protein Factor VIII. These assets employ Ascension's proprietary nano-lipid delivery technologies, including the tiny, flexible hydrophilic spheres, known as Sequessomes, that comprise the topical gel FlexiSeq.

Ascension's investors appointed Roy with a clear goal: to build the commercial product business and the pipeline in preparation for a sale. There is unlikely to be a single buyer - FlexiSeq is a consumer-focused product; the haemophilia assets are highly specialist prescription-only treatments. As such, Roy, with a background in economics, accounting and consultancy, is managing lots of different interests and priorities – from the current investors and board, to future investors in both parts of business, and employees. "It's like being a politician on the road, canvassing votes," he said. "Your life is no longer your own."

BIG PHARMA: Mary Kerr, CEO Of KaNDy And NeRRe Therapeutics

Big Pharma is an important and growing source of biotech talent – not only CEOs but development scientists, regulatory and commercial experts and more. Jumping straight from Big Pharma country manager to biotech CEO is not always wise, though, as it may not always provide the relevant experience working as part of a senior management team and dealing with a board and investors.

Mary Kerr, CEO of NeRRe Therapeutics Ltd. and KaNDy Therapeutics, did move directly into the top-job after 20 years at GlaxoSmithKline. But she had, within GSK, moved towards running "standalone businesses on the edge of the company where I had freedom to operate and could nurture and inspire people to be creative," she said. Kerr set up GSK's European Critical Diseases Unit and ran HIV-focused ViiV Healthcare in Europe, before becoming SVP and global franchise leader for immuno-inflammation and infectious diseases. "I knew I wanted to be in charge," she says. (GSK's experiments with biotech-like, therapy-area-focused R&D structures, with ring-fenced budgets, nurtured other biotech CEOs, too.)

So when the opportunity arose to run a biotech co-founded by GSK colleague Mike Trower, Kerr seized it. Trower, previously VP and Head of External Drug Discovery in GSK's Neurosciences Center for Excellence for Drug Discovery, became CSO of KaNDy, built around neurokinin-1 receptor antagonists bought from GSK.

The company's pipeline initially included programs targeted at neuronal sensitivity disorders such as chronic cough, and at women's health conditions. Some investors wanted more focus, so KaNDy was spun off in September 2017 devoted exclusively to women's health. For that business, Kerr targeted longer-term and crossover investors, including US investor Longitude Capital.

As for the cultural and operational differences between a big pharma and a biotech – they are not an issue, for Kerr. "My integration into biotech has been easy," she said. "Biotech culture suits me a lot better than big pharma [culture], but I can only do what I have done because I learnt my trade in pharma."

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