

Executive profile: Genzyme's CEO on dark times, transition and the long view

David Meeker, CEO of Sanofi company Genzyme, recently found himself hustling back to Genzyme's Kendall Square offices from a nearby meeting to talk to *Scrip's* editor Eleanor Malone about the challenges and opportunities he has encountered in his varied career. In the first of a two-part series, he discusses his experiences in the company that he joined in 1994, and expounds upon issues faced by the industry as a whole.

Eleanor Malone: *Genzyme went through some dark times before the Sanofi acquisition with the manufacturing issues that led to shortages of enzyme replacement therapies. What lessons did you draw from those difficulties?*

David Meeker: You are absolutely correct; they were incredibly painful, dark moments. We failed to deliver on the implicit promise of ensuring that patients can access the medicines that they need. I think we learned many lessons. On a very tactical level we learned about the lead time that it takes to bring biologic manufacturing up – we realised too late that we were not going to be at an adequate capacity and by the time we started to build, even though it was several years ahead of when we ran out of medicine, we still came up short.

And there were some very important learnings about managing complexity. As you become more complex you need to evolve as an organization. Genzyme was moving from one product to multiple products and we had an increasingly complex situation within which we were manufacturing those products.

Third was the importance of not losing your focus and your values during the dark periods, and that was something I think we did do well. This organization was stressed, but there was never a moment when people weren't working as hard as they could to get



David Meeker addresses employees at Genzyme's HQ following a torch relay connecting the company's sites near Boston to mark International Rare Diseases Day

it right for the patient, given the limitations we had. We were short of product so we had to focus on how to manage the distribution of that product in a way which was most equitable. Not losing your focus in terms of values, I think that was a key lesson from that period.

EM: *Another troubled patch was more recently when Chris Viehbacher was suddenly removed as CEO of Sanofi. How did that affect you and your business?*

DM: Chris was the driving force behind the acquisition of Genzyme, so Genzyme was obviously extremely important to him personally as well as being a critical acquisition for Sanofi as a whole. He was a true champion of Genzyme and from the beginning was sensitive to the challenges of integration.

Many acquisitions destroy value, and a lot of the destruction happens when people leave: you have the products but you lose the know-how and the critical talent that was creating that value. But Chris was highly sensitive and protective of Genzyme and as a result Genzyme flourished under his leadership. Fortunately, when he left we had reached a point where we had relative stability within Sanofi and therefore his championship was less important.

The chairman of the board, Serge Weinberg, was equally supportive and so the transition from Chris to Serge was again relatively seamless.

We're quite early with a new CEO now [Olivier Brandicourt] but I know that he's appreciative of what's been accomplished in Genzyme and while we're still working through the larger strategic questions for the

future within Sanofi, some of the importance of Genzyme in the bigger picture is clear.

EM: What are the key challenges facing you at the moment in Genzyme?

DM: In common with the industry as a whole we are challenged by the enormous pressure on healthcare systems and the cost of care. To innovate and bring value has always been the goal of this industry, but the emphasis on creating value is greater than it ever has been in the past. Also, new technologies call for new business models. Gene therapy, for example, an area where Genzyme has a significant focus: if you can provide the therapy in one shot without the need for repeated treatment, how do you think about a business model in that context?

Internally, it's a highly competitive environment for talent and all companies are challenged to maintain and retain and develop the talent that's required to be successful in this industry. In addition, we're five years down the line [since being acquired by Sanofi] and we're a strong example of a successful integration with a larger company, but it's an active process. You are never completely done: we continue to work to establish ourselves and find the right balance between the Genzyme presence and the larger Sanofi presence.

EM: Can you tell us more about that transition from an independent Genzyme to being part of a larger company?

DM: For me it was a new experience, although there were a number of employees who had been through M&A settings before. In many ways it went about as well as it could have. There are obviously some significant changes that occur, particularly as you merge cultures, and the biggest difference was just the size difference. Genzyme at the time of the merger was 10,000 employees,

but we joined a company that was 110,000 employees, and there are just things about size and scale that you need to adapt to. But all considered it's been an outstanding success. Genzyme is thriving today within Sanofi and our performance is as good as it's ever been.

EM: What personal qualities did you bring to bear to make that transition a positive one for yourself and for your people?

DM: I spent the first half of my life working as a pulmonary critical care physician. That shaped my views about healthcare and what a company should do to create value. What has anchored Genzyme historically has been that we are in the business of making people better. From our early days we've never lost the focus on the patient, which is the true measure of whether you're successful in the healthcare industry: can you make an individual better in a way that the industry and the healthcare system can afford? The first thing I did was to make sure we did not lose that focus and I have championed that from day one.

Secondly, I believe in listening and working to find a path forward. This is not about having to do it "my way" or Genzyme's way historically, but recognizing the need to think about Genzyme in a new context. What does Genzyme look like within a Sanofi context, what does Genzyme look like in 2020? Independently of whether you are part of a larger organization, you have to ask yourself how does any successful organization evolve and remain relevant, and to do that well I think you have to be highly sensitive and perceptive with good listening skills. I believe I brought those qualities.

EM: What are the biggest changes you expect to see in the industry over the next 20 years?

DM: One change is already happening but I think it will continue to accelerate.

We're moving from the large pharmaceutical, industrial approach, one of volume, to much more personalized therapies or precision medicine. It's being driven by biology. Value-creating marketing will become less and less important in the sense that you cannot market your way to a billion dollar drug - the only way you will be able to create sustainable value is by creating drugs that are better than what's out there already and that truly make a difference in an individual disease.

That shift will see greater and greater emphasis on the R&D side, but it won't necessarily be that you need to have it all internally. In fact, successful R&D organizations will be ones that are most agile and able to interact, intersect with the external world in a broad network of academic labs or other small biotechs. To be good at it you will need to have strong internal R&D - you can't just have a group of individuals who look externally - I think you generally need to have state of the art R&D internally but with a very strong external focus and connection.

EM: And tell us one myth about the industry that you would like to set straight.

DM: I think that society does not fully appreciate the value and the level of humanity that resides within our industry. Like everybody, we're not perfect and not everybody perhaps represents us as well as we could, but this is an industry of people who genuinely want to make things better, to make a contribution, and it has the tools to do so.

We do not have a good reputation and although much of that is self-imposed or deserved, I think that it is not well understood that the value that this industry can bring in its potential to solve some of the great healthcare challenges of our time is higher than ever.

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Executive profile: the life and career of Genzyme CEO David Meeker

David Meeker, CEO of Genzyme, came to the pharma industry after a 20-year career in medicine. He joined Genzyme as medical director on its cystic fibrosis gene therapy program in 1994, having previously served as Director of the Pulmonary Critical Care Fellowship at the Cleveland Clinic and an assistant professor of medicine at Ohio State University. He was chief operating officer of Genzyme when it was acquired by Sanofi in 2011, and was appointed CEO later that year. In the second of a two-part interview series, he talks to *Scrip's* editor Eleanor Malone about his formative experiences, his career, and matters that are close to his heart.

Eleanor Malone: *Who were your formative influences?*

David Meeker: My father was a physician and an athlete and there were certain traits that he had which even as a young child I started to emulate. He also had personal qualities which I respect tremendously. He was a very gentle man who was extremely thoughtful, never angry, always found a way forward, and those are the things which had the big impact on me.

In school I didn't grow up thinking I wanted to be a doctor, although he was a doctor: in fact I was thinking in other directions until I got totally turned on by a physiology course in my last year of high school. That was the most fun, exciting course that I had taken, and it re-oriented me to thinking seriously about medical school, which from that moment I pursued.

In medical school everything's interesting, so the subspecialties you choose are often shaped by people, by the physicians you see practicing. I loved my time in the intensive care unit and had enormous respect for the people who were leading those units, both because of the intensity of the moment, the severity of the illness and the complexity of the problems you're trying to manage, and



David Meeker (centre) leads Genzyme employees on a relay to mark International Rare Disease Day, accompanied by Emma Rooney, a Gaucher disease community advocate, carrying the torch

also the emotional challenges. So in my 20 years in medicine, I learned an enormous amount about people, working with people, understanding what's important to them in the context of the intensive care unit.

The person who influenced me the most in a business context was Henri Termeer, the pioneering early CEO of Genzyme, who was a truly visionary leader who had just a wealth of things to teach, from his business acumen and his disciplined approach to building a business to the visionary aspect of what was possible and his willingness to take risks with both specific projects and individuals. I'm a good example of somebody he certainly took a risk with, putting me in positions of responsibility without some of the more formal training.

EM: *Describe the move from medicine to industry.*

DM: At age 40 I was ready to do something else. I'd had an extremely rewarding first 20 years, and by chance ended up interviewing for a job at Genzyme. Coming in and working on the research side I truly came to appreciate the power of what industry can bring to a research equation. On the academic side you're constantly writing grants, struggling to get funded at the level of a few hundred thousand dollars, whereas a company in the

biopharmaceutical industry can raise millions of dollars to apply against a specific problem.

In my case I worked on cystic fibrosis gene therapy, and although we were unsuccessful in developing a therapy I truly came to appreciate the powerful role that this industry can play in solving a problem, and this shaped my thinking as I entered the executive ranks.

I switched over to the business side because from the R&D side I saw that many of the decisions were being made from the business side: we're in the business of making medicines. It just seemed a logical step, having a background in R&D, even though I was not formally trained on the business side, that I could create value and bring value to those positions.

EM: *What led you to move to the pharmaceutical industry?*

DM: Like many people I work in blocks of time – we were conditioned that way through school. Four years and you move to something else: medicine offers such a diverse range of experiences. You can move around and continue to be challenged and learn, it is an incredibly rich field. But then I settled into my specialty. Intensive care, where I spent 3-6 months of the year, is an intense experience, and I realised that probably I would not be doing that until 65,

so I was open to a change without knowing necessarily that the industry was the outlet.

Actually a very good friend had interviewed for the job. He came back and said you should look at this one. I had not been actively interviewing, and in fact this was the only company, believe it or not, that I have interviewed at. But it felt right and it was clear there was an enormous amount to do. Part of the attraction was I could be in early helping to define what that was.

EM: By what point having made that jump did you realise you were going to make a long career in the pharma industry?

DM: It was not so conscious – I'm a little more organic I guess in the decision-making process – it was a lot about gut, it felt right early. Those early research days were some of the most fun, rewarding moments I have had in my professional career. There was never any looking back, and as Genzyme grew I was able to work on a rapidly growing number of projects, each of which brought their own challenges, so there was never a moment of feeling I had mastered anything or any complacency. There were constantly new fields to take on.

EM: What's the best advice you ever had?

DM: When I was a pulmonary fellow there was a faculty member who said 'don't give up your stethoscope'. In other words, once you've trained as a doctor you shouldn't ever lose your connectivity with being a doctor. I've modified it my own way. I did give up my stethoscope and I stopped seeing patients but I never gave up thinking like a physician. I will always view myself as a physician first, an executive second...although I think legally that might be a dangerous place to be!

EM: How do you step back and get perspective?

DM: I am a runner. I'm 60 now, a slow runner, but physical exercise has always been a part of my life, and it provides an enormous amount of balance. I'm a very big believer in the healthy mind, healthy body approach to life. The only time of the day I fully control is when I get up, so I exercise from 5.30 to 6.00 or 6.30 depending on the morning, but I'm pretty religious about the 5.30 start and I run for 20 or 30 minutes - warm or cold I'm outside – and three plus days a week I'll do some weights. I'm a big believer in diversity in your exercise regime – on weekends I like to ride a bike. I'm not great at any of these things but the diversion and the pleasure of doing them is real.

Second of course is family, and having people who can be honest with you. As you move higher the information becomes more filtered, people become more complimentary but not necessarily more honest, so having

people around you who see you and know you for who you are and can provide honest input is incredibly important.

EM: Who is your most honest critic?

DM: I have more than one right now. One is my partner who I live with, Sandra Poole, and then there are my daughters, who are young women of 23 and 25, strong, independent, with a very clear view of the world and a good willingness to provide input to me.

EM: What are you passionate about?

DM: I'm passionate about how you create value as a healthcare company; I think we as an industry don't always get it right. I think the real strength of this industry is that unlike many jobs you can make a living by truly helping people and making them better, and when we lose sight of that fact we lose what's special about this industry. From a pure financial standpoint, if we fail to connect employees with the fact that they are making a difference in the lives of the patients, potentially the world, we've lost the real value-creating aspect of this. We can and should be a purpose-driven industry and I am passionate about making sure we do not lose sight of the fact that is our gift, so that's number one.

Number two, I'm seeing the next generation develop and of course most immediately as my daughters move into the workforce I look at their early challenges and experiences and it gives me insight into questions of equal opportunity. It's an emerging passion which is evolving beyond just the parental as I try to bring those insights to my larger work context in a lasting way.

I see the competitiveness in any industry and how younger employees can be exploited or ignored in a way that has a potentially pretty significant negative impact on their overall development. It's such a formative part of their career so it is important to champion younger individuals; the difference you can make at that age relative to taking somebody like myself and trying to shape them is quite dramatic.

EM: What are you reading at the moment?

DM: I find that my life is most balanced when I'm reading but often there have been long stretches in my life, depending on the intensity of the moment, where I'm not actively reading. What I religiously read are newspapers. I truly enjoy current events so the Economist is my daily reading staple. And I'm swinging back into books now I'm in hopefully a little more stable period. I just read Quiet by Susan Cain. It's focused on introverts. It's not a riveting read but it's a thought-provoking read and I do think that it's important to consider

the psychology of the workplace, the home environment, and so on, and try to understand people's orientation. Not that we have to be categorised black and white, extrovert or introvert, but it's useful to acknowledge that we all sit somewhere on that spectrum and that can influence significantly how we interact, how we think. And that there are values to both ends of the spectrum.

EM: What books have been important to you and why?

DM: Moby Dick when I read it in high school was one of those first books where I discovered "great literature" in the context of a great class and a really thoughtful professor, and it changed how I look at books in general. It may be a bit of clichéd answer but that was a pivotal moment for me.

Jack Welch's first book was in a way a pivotal moment also because I read it at the time I was transitioning from the research side to the business side and I really connected with its very pragmatic approach to leadership; his emphasis on the educational developmental part of it, his intense focus on people. Also it takes a hardnosed approach - that if you are going to be in a business you want to be in a position to succeed, i.e. in the top one or two positions for that category. So I think it was matter of timing and obviously who he was, having a truly successful, iconic career at that point, but I responded to its approach and values.

EM: You mentioned Henri Termeer; who else do you admire in the industry?

DM: There are many truly iconic figures, even just in the Boston area.

Look at George Scangos, who came into Biogen and has in a very quiet way turned the company around. Biogen was struggling five or six years ago, facing uncertainty about its future, and with a similar valuation as Genzyme, and he's dramatically reshaped it, so I find that story very powerful.

Then at Alnylam (one of our partners) is the CEO John Maraganore, who basically didn't give up on that [RNAi] technology, he just stayed with it and he then found a path and when he unlocked the delivery suddenly that technology came of age. He's going to cure or make many, many people better while obviously creating enormous value for Alnylam.

Nick Leschly at Bluebird Bio is a young individual with just enormous, boundless energy, sitting on top of a new technology. We'll see where it goes, but it's what I love about this area and this industry as a whole: there's such a diversity of individuals and skill sets and there's no one prototype that guarantees success. There are many, many different paths to creating value.

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