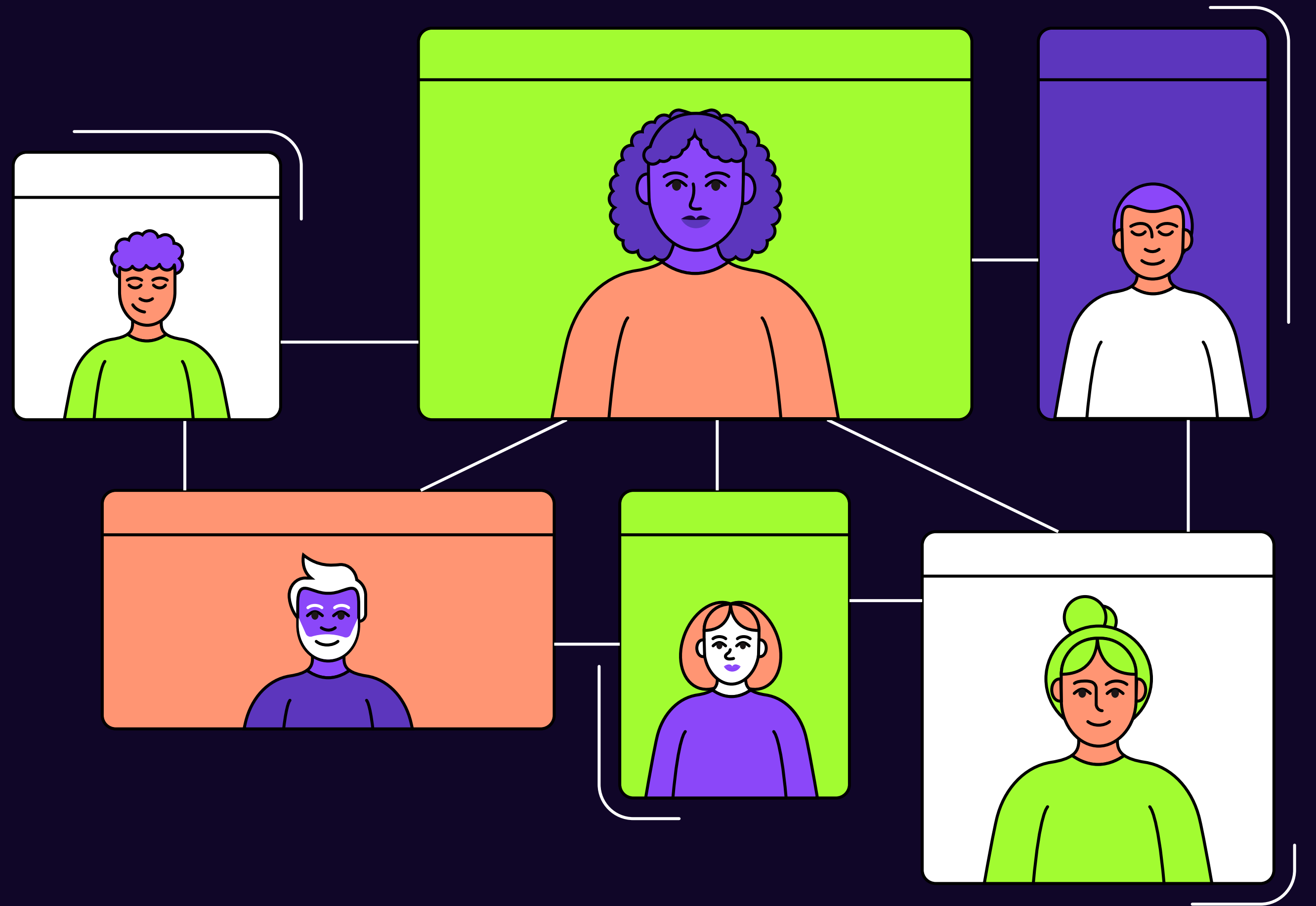


HEALTHCARE INSIGHTS

# Driving growth from the inside

From M&A to organizational transformation:  
How pharma and biotech firms can drive  
growth from within



# Introduction

**T**he pharmaceuticals and biotechnology sector is in a uniquely challenging situation. Looming patent expirations threaten billions of dollars of revenue; talent is in short supply; costs are spiraling, and the US's Inflation Reduction Act 2022 has created a tough pricing environment.

Historically, the industry has relied on mergers and acquisitions (M&A) to fill portfolio gaps, fuel innovation and drive growth. With the "patent cliff" drawing near, there's no doubt M&A will remain a lucrative strategy for cash-rich firms in the years ahead.

However, the landscape is changing. US antitrust regulators are cracking down on consolidation in the sector for the first time in decades, which could limit the number of megadeals in the future. And with investors keeping a watchful eye on spending in this challenging macroeconomic environment, the value each proposed M&A provides will be carefully scrutinized.

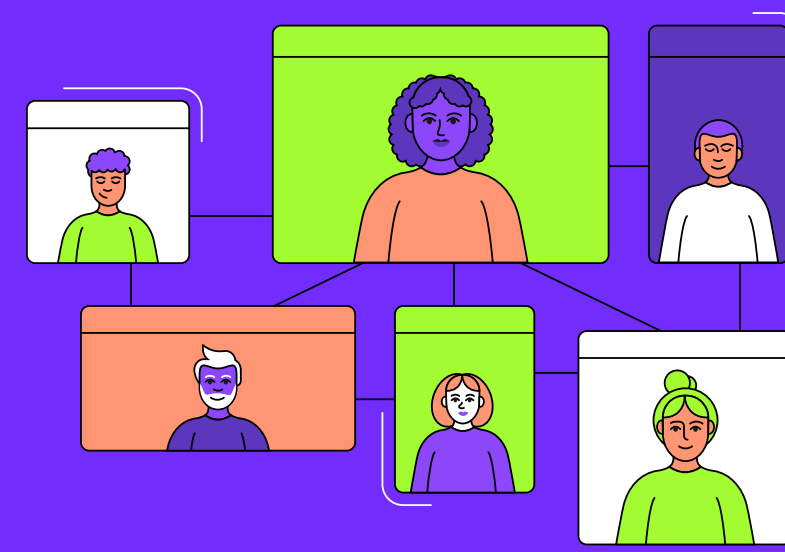
So, while M&A remains powerful, increased scrutiny and broader economic pressures create new challenges. These challenges highlight a new opportunity for pharmaceutical and biotech firms: to refocus on driving growth from the inside. This is critical to attract and retain top talent, encourage innovation and unlock growth.

# Three internal opportunities for the health sector

## 1

### A 'PURPOSE WITH TEETH'

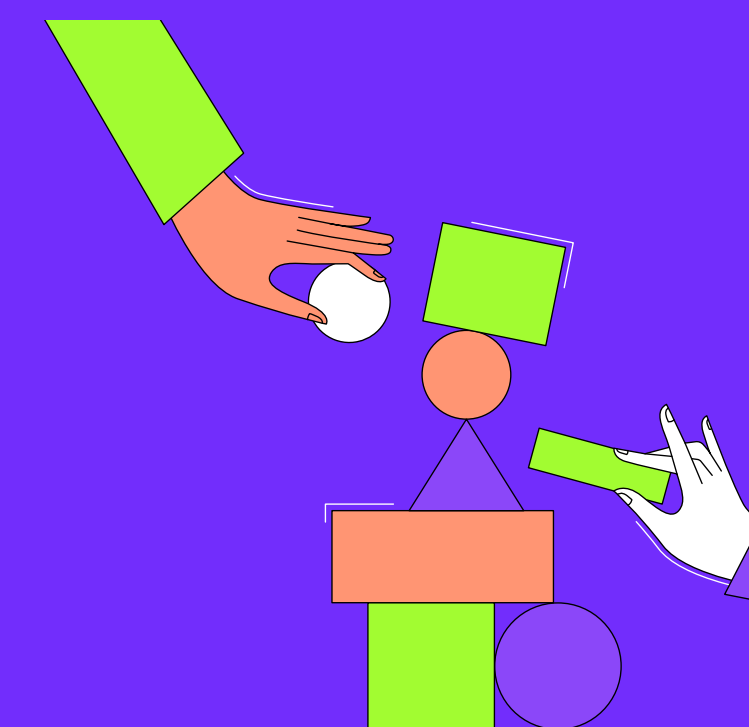
Most purpose statements in the industry are too similar and generic; businesses need to create a "purpose with teeth", which helps them to stand out and attract the like-minded talent and partners they need to grow.



## 2

### ELEVATING YOUR CORPORATE BRAND

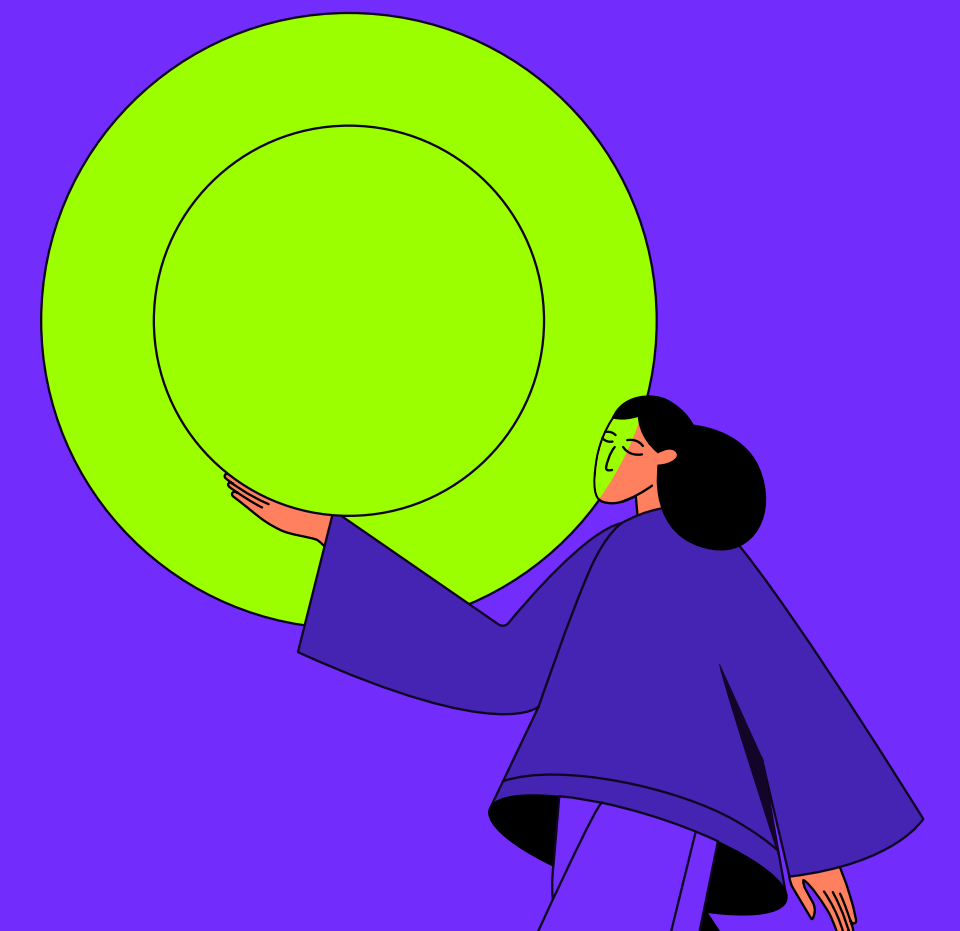
After years of M&A, pharmaceutical and biotech firms have lost sight of the potential of their corporate brand, adopting the more costly strategy of investing behind an array of product brands. Revitalizing the corporate brand will have a positive halo effect on those product brands while enhancing its reputation with key stakeholders.



## 3

### CLOSING THE M&A 'CULTURE GAP'

Building a unified culture, where everyone is pulling in the right direction, is an increasing challenge for larger organizations. Closing this culture gap can catalyze faster innovation, decision-making, and implementation of new initiatives.



Evidence has shown companies that successfully implement purpose enjoy higher market share gains and grow three times faster than their non-purposeful competitors

## Developing a ‘purpose with teeth’

**T**he cornerstone underpinning any successful organization in the pharmaceutical and biotech industry is a distinct and actionable purpose.

A strong purpose plays a critical role in uniting a business, engaging employees and enabling decision-making, particularly during times of crisis and change. Evidence has shown companies that successfully implement purpose enjoy higher market share gains and grow three times faster than their non-purposeful competitors.

No wonder, then, that the vast majority (79%) of businesses in the broader healthcare industry claim to have a purpose, according to data from Brandpie’s CEO Purpose Report 2023. Three-quarters of healthcare CEOs believe the importance of purpose has increased over the last five years, while 68% think it will continue to grow over the next five.

However, the problem for pharmaceutical and biotech firms today is that their natural

patient focus leads to generic purpose statements that are not very distinct at all. When everyone’s purpose is as universal as ‘saving lives’, it does nothing to distinguish one business from another.

This has a negative effect on purpose’s ability to engage employees — only 35% of healthcare CEOs believe purpose actively helps attract and retain talent. At Brandpie, we know from running live, collaborative online sessions with over 30,000 employees across industries that employees want to work for organizations with a clear purpose that they not only believe in, but can act on. Evidently, healthcare firms - including those in pharmaceuticals and biotech - aren’t benefiting from purpose’s full potential.

So it’s vital to develop a ‘purpose with teeth’ — a purpose more obviously linked to what the business offers, thus differentiating it in the minds of employees, customers and other stakeholders. Doing so will unlock the company’s next phase of growth.

79%

of healthcare businesses have a purpose

# A neglected power: Corporate brand building

Intense M&A activity has left corporate brands forgotten and undervalued, with sub-brands and product brands prioritized instead.

Corporate brand building is among the most significant missed opportunities in the pharmaceutical and biotech industry. Intense M&A activity has left corporate brands forgotten and undervalued, with sub-brands and product brands prioritized instead.

The pandemic has pushed some within the sector, such as Pfizer and Moderna, into the limelight. Still, for the most part, these multi-billion dollar corporate brands — which touch billions of people worldwide — are hidden, and what they stand for is unclear. Compare that to some of the leading businesses in other sectors — Unilever in FMCG, Nokia in technology and General Electric in energy, for example — and the difference is stark.

A cohesive corporate brand, defined by a clear and impactful purpose, is a solid

competitive advantage. It creates consistency across all brands under its umbrella and helps to elevate their perception among customers. Loyal customers of one brand will be more willing to buy from another in the portfolio, leading to improved commercial outcomes.

It's also critical in attracting employees. Research by LinkedIn reveals that 72% of recruiting leaders worldwide agree an employer brand, part of your corporate brand, significantly impacts hiring. A strong employer brand can reduce staff turnover by 28% and cost-per-hire by up to 50%.

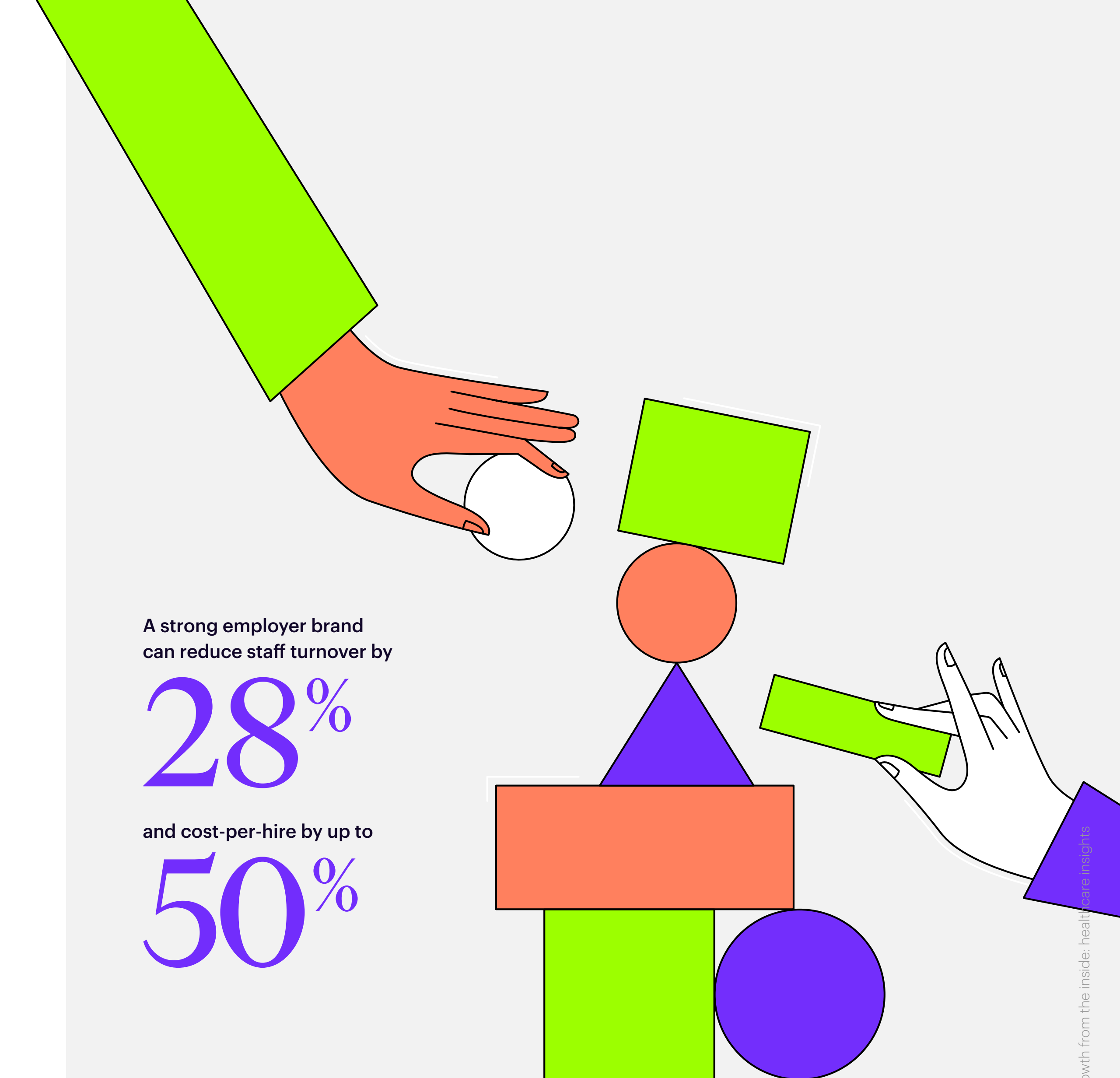
The imperative to reinvest in and reprioritize the corporate brand is clear. It will appeal to talent and enhance the organization's reputation with key stakeholders while having a positive halo effect across every product brand.

A strong employer brand can reduce staff turnover by

28%

and cost-per-hire by up to

50%



A cultural overhaul isn't always necessary. Sometimes, it's about investigating where employees run into barriers and how to remove them

## Solving the M&A culture gap

Internal culture gaps are another consequence of rapid M&A in the pharmaceutical and biotech industry over past decades. Blending cultures often brings a significant challenge.

With megadeals, it's the question of combining cultures that have developed over a long time and where systems and behaviors are embedded. When it's buying up smaller biotechs, there's the challenge of integrating a highly innovative, agile startup into a company where each decision is carefully managed.

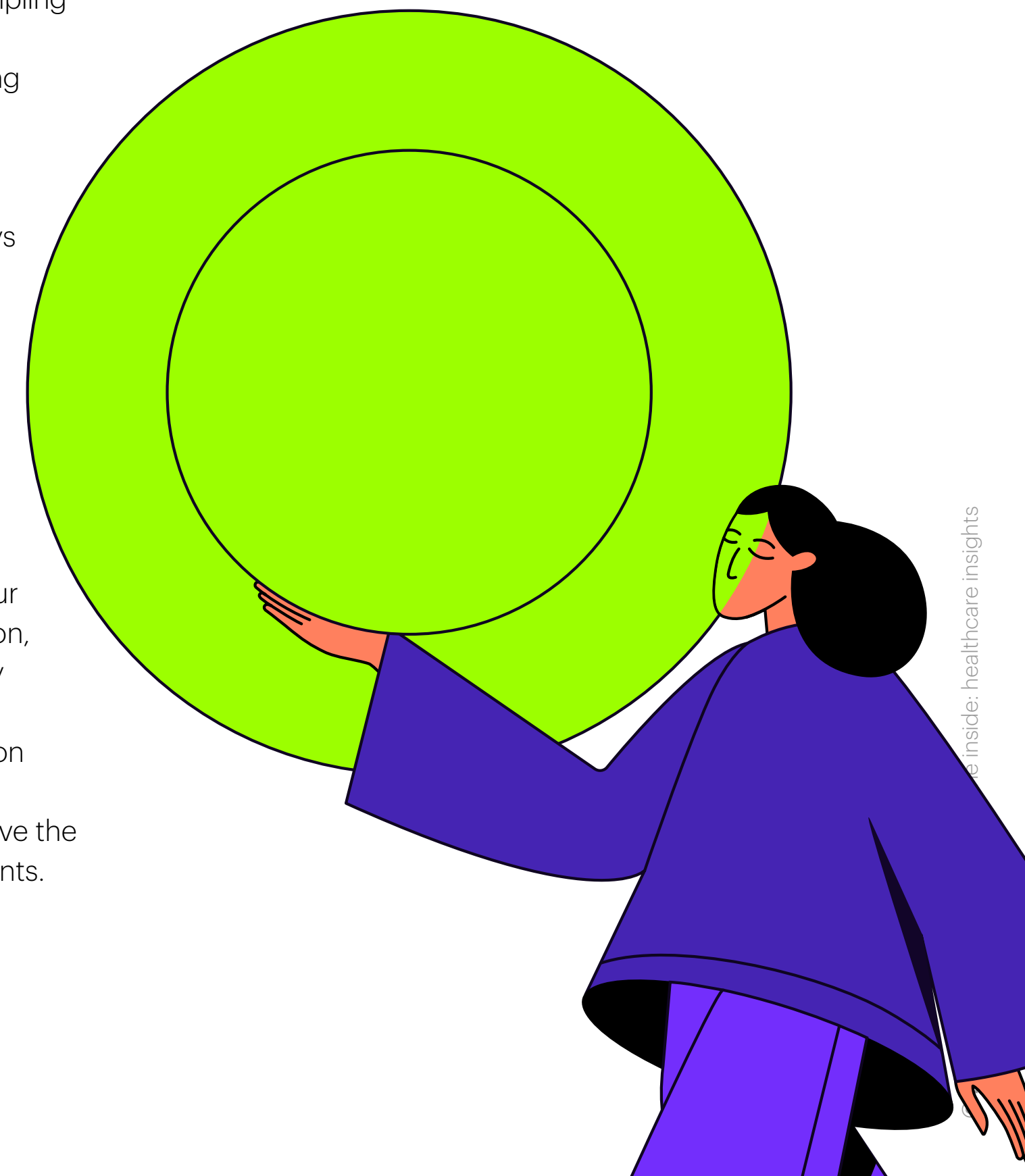
This can lead to a clash of cultures, which causes problems. Businesses need their brands and employees to pull together in one direction to realize their commercial ambitions,

Your purpose can be the galvanizing force needed to create internal synergy and unity. Companies need a clear North Star under which they can align employees, providing a shared sense of direction and inspiration for the future.

After launching its groundbreaking ALS treatment, we worked with Mitsubishi Tanabe Pharma America (MTPA). As the business prepared for a new phase of growth, tripling its employee base and expanding into the Canadian market, it needed a strong corporate culture underpinned by a purpose-driven corporate brand.

However, a cultural overhaul isn't always necessary. Sometimes, it's about investigating where employees run into barriers and how to remove them.

[AstraZeneca](#) challenged us to unlock the potential of its employees by freeing up their time, allowing them to focus on what really matters to the organization: improving lives. Using our real-time online crowdsourcing solution, VYTALS, employees helped us identify where crucial hours could be saved. Together, we reclaimed over two million hours and achieved nearly \$1bn in productivity savings, helping to improve the lives of an additional four million patients.



# In summary

**A**s the pharmaceuticals and biotech industry contends with some of its biggest challenges in decades, maximizing growth from all angles is critical. Leaders must take a fresh look at their organization and identify those key opportunities to improve from the inside out.

Brandpie has helped clients such as Clario, Hikma, and AstraZeneca transform their businesses by instilling clarity of purpose, building compelling brands, driving cultural innovation, and introducing new creative strategies to unlock growth.

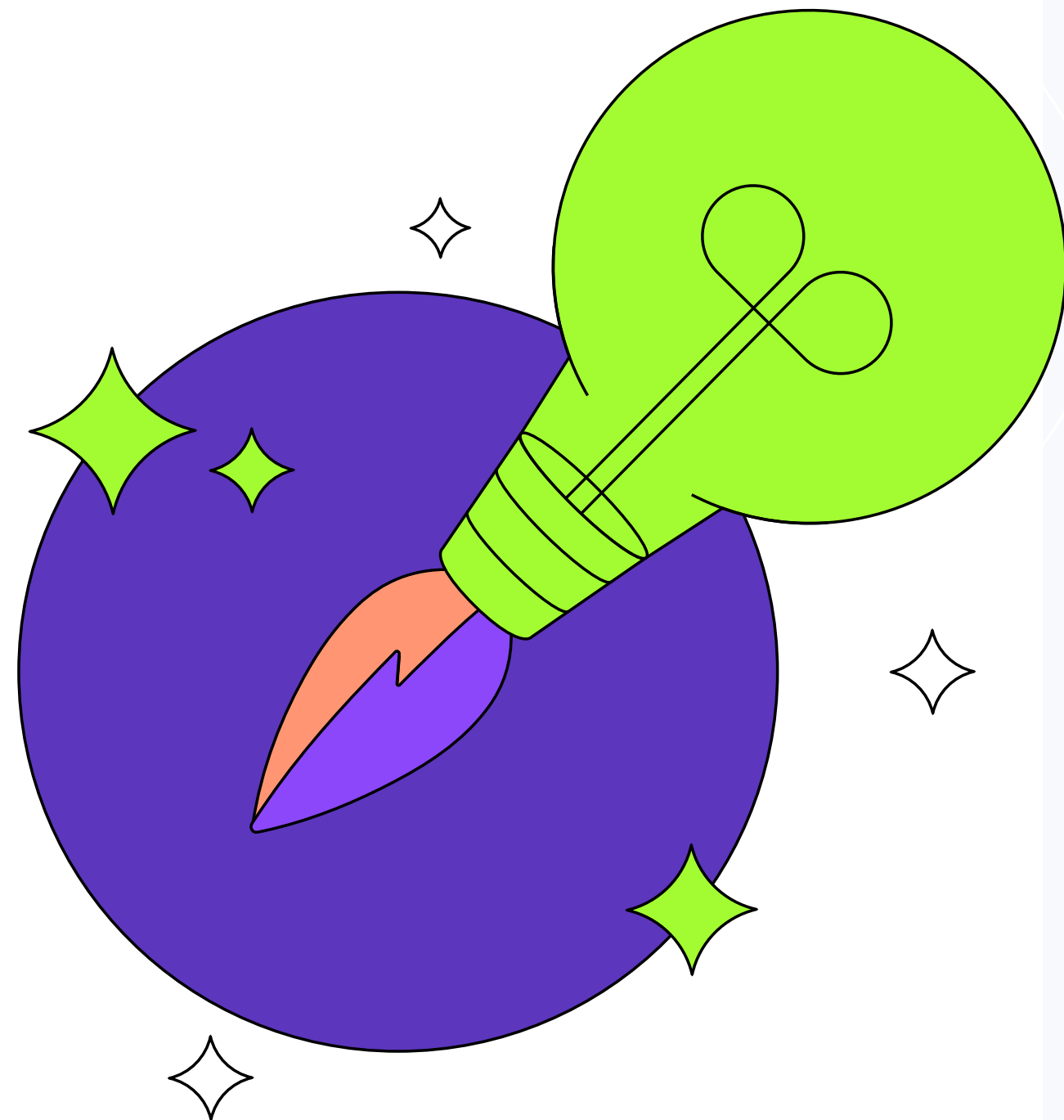
Whether it's your purpose, brand or culture that needs revitalizing, we act fast to uncover critical areas of opportunity.

For example, we can help you identify:

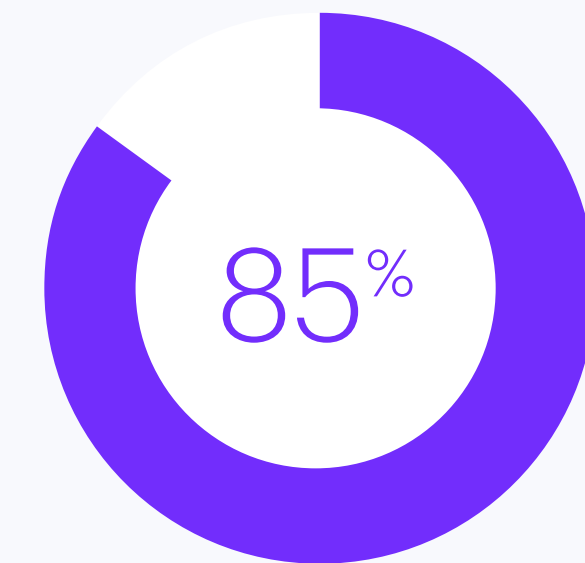
- How well your purpose inspires your people and drives your business
- How you can put your corporate brand to work
- The culture gaps getting in the way of performance and growth

We would be delighted to have a conversation to expand on our approach and explain how it could make a difference to your business.

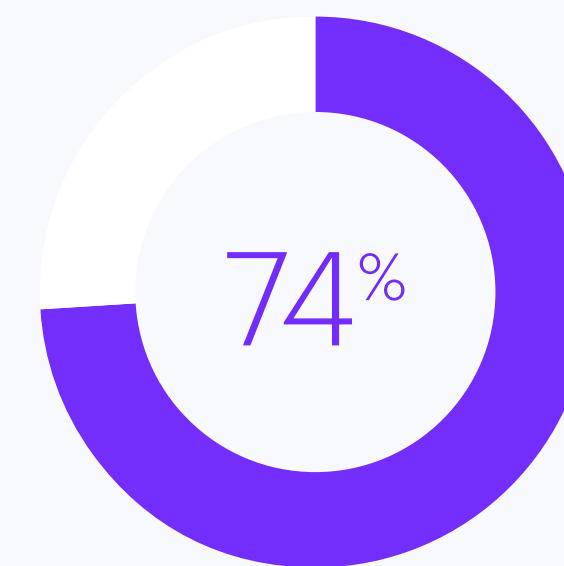
And for further insight about the healthcare sector and beyond, please [sign up here](#).



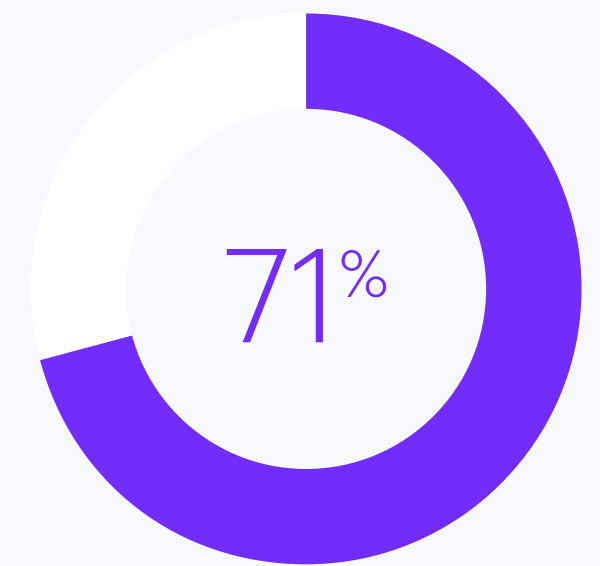
## HEALTHCARE CEOs ON THE IMPORTANCE OF PURPOSE



Impacts majority of business decisions



Positively impacts customer loyalty



Positively impacts brand perception



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