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WOMEN WHO LEAD IN LIFE SCIENCES

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Silicon Valley's (other) women in tech problem

Biotech executive Karin Lachmi says she doesn't go to male investor meetings without another male anymore.

TODD JOHNSON

BY LAUREN HEPLER
sanfrancisco@bizjournals.com

Five years ago, fresh off a post-doctoral fellowship at Stanford focused on immunobiology, Karin Lachmi decided to forge her own path in the biotech industry.

The Israeli-born scientist with a Ph.D. in human microbiology started pitching a startup: a search engine for life science research, which would digitize and summarize articles rated by peers. The Yelp-for-biotech idea quickly captured the attention of Silicon Valley venture capitalists. Pitches to male investors, though, didn't always go as planned.

"I hate to say it, but I never go anymore to meetings with a male investor without another male," said Lachmi, now founder and chief scientific officer of the Los Altos company Bioz. "There was one that after a meeting invited me to a Jacuzzi. There was one that forced me to kiss him in the middle of a meeting."

While the technology industry in the Bay Area has taken heat for its workforce and executive gender disparity, the biotech world has flown under the radar. A 2016 scandal brought more attention to the issue, but the work is only just beginning.

Interviews with more than a dozen Bay Area biotech founders, executives and analysts reveal an industry that prides itself on empirical data grappling with how to confront a glaring gender divide. Some of those interviewed spoke about blatant sexism, subtle verbal slights and stunted career growth. A San Francisco Business Times analysis of company data shows how board and executive leadership is still largely dominated by men.

A Business Times analysis of publicly listed boards at the 20 largest biotech employers in the Bay Area as of mid-February found that men hold an average of 86 percent of board seats, compared to an 80 percent aver-

age across the S&P 500. One quarter of those 20 large companies – Genentech, Boehringer Ingelheim, FibroGen, Nektar Therapeutics and NGM Biopharmaceuticals – had zero women on their boards of directors as of this month.

The share of women on boards is even lower among venture-backed biotech startups. Among the 20 biotech industry startups that raised the most venture capital funding as of mid-February, 87 percent of board members are male. Six of those startups have no female board members: BioClin Therapeutics, Calysta, Harpoon Therapeutics, Surrozen, SutroVax and VitalConnect.

"We don't have a great track record as an industry," said Jeff Jonker, president of South San Francisco-based NGM Biopharmaceuticals, which develops biologic treatments for obesity and other cardio-metabolic diseases. "We are actively looking to expand our gender diversity in the leadership of the company."

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"I heard about (the LifeSci Advisors party) probably instantly. It felt like we were going very, very backwards."

SUSAN MOLINEAUX,
CEO of Calithera Biosciences

SFBT 2016 PHOTO / TODD JOHNSON

Tech firms like Google, Facebook and Twitter tend to dominate the conversation about gender in Silicon Valley, but the region's biotech sector has also weathered recent scandals. The result of which has been the launch of unprecedented female-focused advancement programs. How much progress has been made, however, is a matter clouded by sparse local data, reluctance among some companies to openly discuss workforce dynamics, and reassurances that the industry is on par with other technical fields that profess to be meritocracies.

Biotech executives of both genders say the industry is differentiated by an inherently competitive and risk-averse culture, built around drug development teams that have successfully weathered intense regulatory scrutiny. The hierarchy can be tough for anyone to navigate, let alone underrepresented women or minority groups.

"This is a super-conservative industry," said one senior white, male executive at a Bay Area biotech company, who asked to remain anonymous to speak candidly. "I'm 45. I'm just sort of getting to the place in my career where I'm viewed as having enough experience to be handed significant responsibility."

Some women also contend that gender doesn't often play a role in their day-to-day work. Progress is being made in recruiting and retaining talented women, others argue, even if it's not necessarily reflected in industrywide numbers.

Despite these disagreements, many maintain that diversity of all types – gender, ethnicity, ideology – is central to the all-hands-on-deck nature of biotech R&D, seeking unexpected answers to vexing diseases.

"We're trying to cure cancer," said Katie Watson, executive vice president of human resources at Foster City-based Gilead Sciences, which has created treatments for HIV/AIDS, respiratory diseases and hepatitis. "You need diverse perspectives."

At Gilead, women make up 27 percent of the board, which is a higher average than across industries listed on the S&P 500.

The broader landscape for women in Bay Area biotech has been studied less than other industry hubs. In Boston, among the better-studied biotech hubs, less than 15 percent of board seats are held by women, according to a recent report from industry group MassBio.

"We all recognize that there's a problem," said MassBio Vice President of Public Affairs Zach Stanley. "But can we identify why the problem exists and what might be a solution?"

An accidental tipping point

By now the story is infamous. Among both male and female biotech executives, the mention of the after-party during the week of the 2016 J.P. Morgan Healthcare Conference – the one hosted by consultancy LifeSci Advisors featur-

86% MEN

Average board makeup among the 20 largest Bay Area biotech companies

80% MEN

Average board makeup of S&P 500 companies

76% MEN

Average gender makeup of executive teams at largest 20 Bay Area biotech

ing 70 scantily-clad female models – still often elicits a familiar sigh.

"I heard about it probably instantly," said Susan Molineaux, CEO of South San Francisco tumor treatment company Calithera. "It felt like we were going very, very backwards."

The scandal felt "atypical" to this era to Molineaux, who began her research career at Merck before taking on executive roles at multiple biotech startups. She remembers being "always the first and only" woman in early industry roles, and attributes her ascent to the C-suite in part to outspokenness – like the time she won a vice president role after challenging a CEO's business model when he initially overlooked her in a joint interview with a male candidate, her husband.

The controversial party prompted LifeSci co-founder Michael Rice to issue an apology and also resulted in his company sponsoring Women in Bio's two-year-old Boardroom Ready program. The program offers 20 women at a time board training and networking at a cost of \$5,000 each.

So far, just 13 of the 40 women who have graduated from the program have landed board roles across the country – a placement rate that program chair Carolyn Brougham said reflects more entrenched social dynamics in a tight-knit industry.

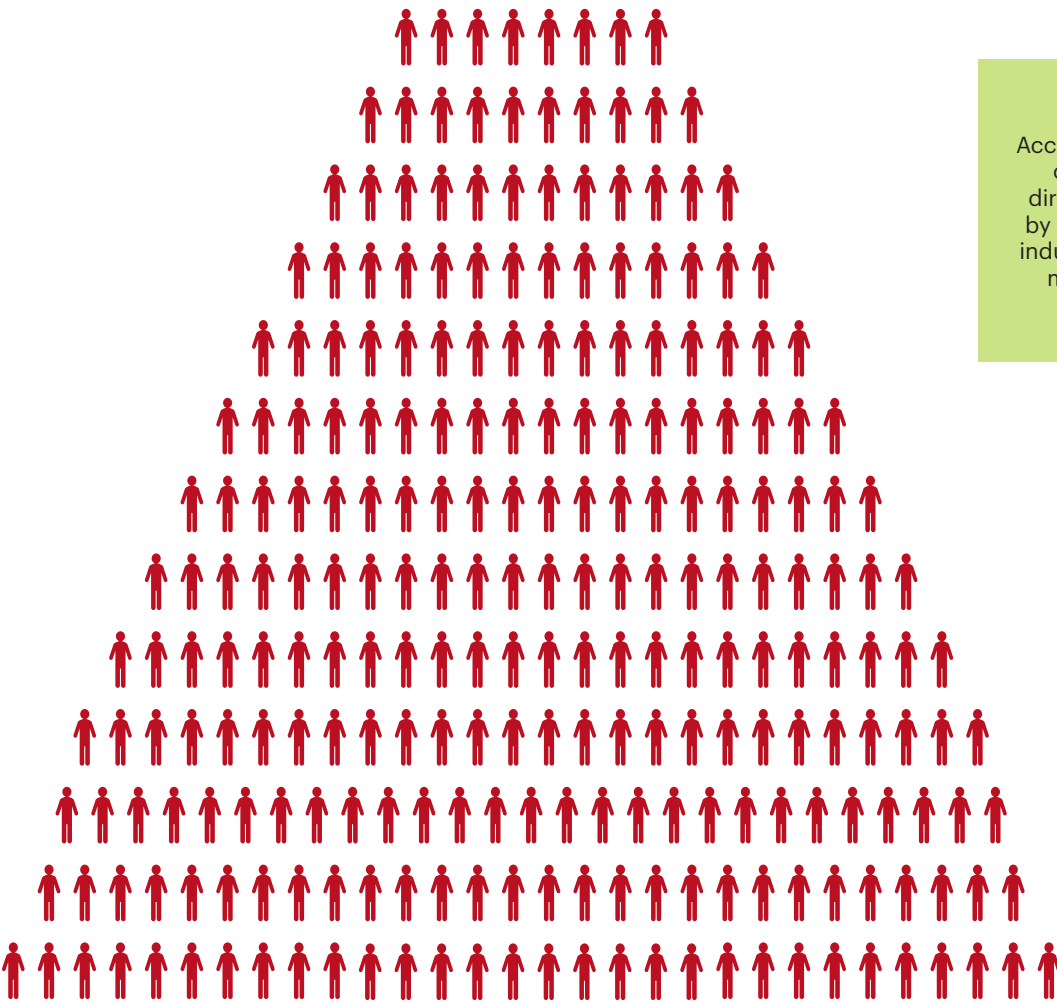
But Molineaux sees change begin-

SOURCE: SFBT RESEARCH

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COMPANY LEADERSHIP BY GENDER



MEN



WOMEN

According to San Francisco Business Times List data, the amount of female representation among the C-suite and boards of directors at the largest Bay Area biotech companies is dwarfed by the number of men in those positions, exceeding even other industries. These pyramids are a 1:1 representation of the gender make up of the companies analyzed by the Business Times.

HOW THE DIFFERENT COMPANIES STACK UP

The San Francisco Business Times looked at the **20 largest biotech companies** in the Bay Area (as defined by number of employees) and the **20 largest venture capital-funded biotech companies** (as defined by amount of funding) using List data from 2016 and 2017. The percentages below indicate the percentage of individual executive teams and the boards that are **male**. The Business Times analyzed publicly listed boards and senior executive teams based on companies’ own definitions of leadership.

LARGEST COMPANIES

Genentech
Executive: 57%
Board: 100%
Gilead Sciences Inc.
Executive: 80%
Board: 73%
Bayer
Executive: 100%
Board: 70%
Biomarin Pharmaceutical Inc.
Executive: 89%
Board: 90%
Pharmacyclics LLC
Executive: 60%
Board: 80%
Impax Laboratories Inc.
Executive: 75%
Board: 75%
Amgen
Executive: 69%
Board: 79%
Depomed Inc.
Executive: 88%
Board: 86%
Boehringer Ingelheim
Executive: N/A
Board: 100%
Ultragenyx Pharmaceutical
Executive: 63%
Board: 88%

Novartis
Executive: 90%
Board: 71%
FibroGen Inc.
Executive: 73%
Board: 100%
Theravance
Executive: 82%
Board: 90%
Nektar Therapeutics
Executive: 78%
Board: 100%
Five Prime Therapeutics Inc.
Executive: 86%
Board: 90%
Actelion
Pharmaceuticals US, Inc.
Executive: 83%
Board: N/A
Relypsa Inc.
Executive: 64%
Board: 75%
Portola
Pharmaceuticals Inc.
Executive: 80%
Board: 89%
Sangamo Therapeutics
Executive: 54%
Board: 75%
NGM Biopharmaceuticals
Executive: 89%
Board: 100%

VC-FUNDED COMPANIES

Grail Inc.
Executive: 43%
Board: 70%
Guardant Health
Executive: 86%
Board: 100%
Denali Therapeutics Inc.
Executive: 75%
Board: 86%
Arcus Biosciences Inc.
Executive: 75%
Board: 80%
SutroVax
Executive: 86%
Board: 100%
Twist Bioscience
Executive: 71%
Board: 86%
MicuRx
Executive: 100%
Board: 67%
BlackThorn
Executive: 75%
Board: 83%
LogicBio Therapeutics
Executive: 83%
Board: 86%

Calysta
Executive: 70%
Board: 100%
Surrozen Inc.
Executive: 100%
Board: 100%
VitalConnect
Executive: 67%
Board: 100%
BioClin Therapeutics Inc.
Executive: 100%
Board: 100%
Symic Bio Inc.
Executive: 70%
Board: 83%
E-Scape Bio
Executive: 80%
Board: 86%
Harpoon Therapeutics
Executive: 67%
Board: 100%
Revolution Medicines
Executive: 57%
Board: 80%
Vivace Therapeutics
Executive: 33%
Board: 80%

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ning with biotech boards, even if industrywide numbers still lag industries like consumer products. She, like a select few other senior female biotech executives with board experience, gets frequent calls about open roles and hopes the next generation will increasingly be offered such opportunities.

Calithera's board is 50-50 male and female, including several first-time board members. Molineaux said the mix contributes to "more openness" and "more willingness to put serious issues out on the table" than boards at other companies that skewed more male.

Meanwhile, even after the scandal caused by the LifeSci party, biotech businesses apparently still hire models at events. Ernest Sturm, president of Runway Waiters, which supplied the models for that party, said that biotech business continues to hire his company.

"We still work quite a bit in San Francisco," he said. "It's mostly high-fashion brands and a few biotech clients. Major biotech events come and go. They're not consistent."

Demystifying diversity

Men hold an average of more than 75 percent of leadership roles at both large and startup Bay Area biotech companies analyzed by the Business Times. All but four of the 40 Bay Area biotech companies analyzed by the Business Times –

MicRx Pharmaceuticals, Surrozen Bio-Clin Therapeutics and soon to be Bayer – have at least one woman listed among senior leadership teams, which range from four-member C-suites to large, 20-plus-person executive committees.

Such variation in the definition of "leadership" can be a challenge for analysts to draw industry-wide conclusions, said Anna Beninger of New York-based talent consulting firm Catalyst.

Research on the relationship between gender diversity and company performance is a fast-evolving field. A University of Pennsylvania analysis of peer-reviewed research concluded that having women in executive roles had "small but dependably positive associations" on long-term company value.

Another study found that of 177 biotech companies that went public between 2012 and 2015, all of the companies with at least one woman on the board delivered a 19 percent average increase in share price post-IPO, compared with a nine percent average decrease for companies with all-male boards, according to consulting firm LiftStream.

Another frequently-mentioned variable is individual personality or demeanor, which can be tricky to attribute to one gender, said Kate Bingham, London-based managing director of investment firm SV Health Investors.

She wrote an open letter to LifeSci Advisors criticizing the 2016 party, which she said she felt "old enough and ugly



'We all recognize that there's a problem. But can we identify why the problem exists and what might be a solution?'

ZACH STANLEY, Vice President of Public Affairs at MassBio

enough" to do. But she argues that barriers remain to women's advancement.

"Often women don't put themselves up," said Bingham, who now serves as an advisor to LifeSci and believes they are reformed. "Part of getting into these positions is being a squeaky wheel."

In Massachusetts, however, a 2017 MassBio study found that 39 percent of women at the senior vice president or vice president level frequently ask for pro-

motions, versus just 12 percent of men.

The quota question

One point of contention in the biotech industry – not to mention others grappling with entrenched gender gaps – is how hard and how fast to push for change.

At Bioz, a small-scale startup with eight employees in Los Altos and Israel, CEO and cofounder Daniel Leavitt and Lachmi are open about favoring female applicants. It's an approach Leavitt likens to necessary "affirmative action" until gender parity is achieved, in the process reaping benefits he's noticed, like less impulsive decision-making.

Quantifying and responding to the gender gap has also been a focal point at Genentech since a 2007 all-hands meeting called by then-CEO Art Levinson. Though the board remains all male, women hold 40 percent of positions within the executive ranks and are accounted for in 50 percent of officer succession plans, said Vice President of Human Resources Nancy Vitale.

Bingham of SV Health is less measured: "I don't expect to have a panacea overnight," she said, "and I don't believe in quotas."

Self-awareness, too, is a variable that can come into play. While 40 percent of Massachusetts biotech companies considered themselves "diverse and inclusive" in the MassBio study, just 9 percent of their female employees agreed.

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