

Far Beyond Remote Work: NASA, The Ford Motor Company, and The New World of Work - Opportunities for Pharma

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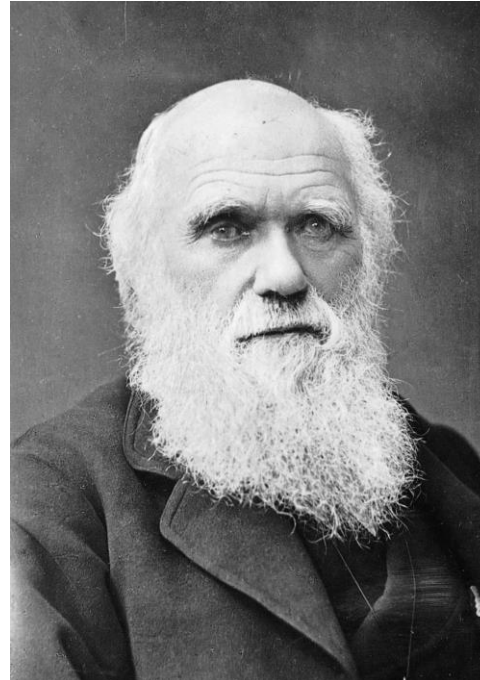
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- ▶ Get your phones ready- QR Codes Coming
- ▶ Get ready to talk \$\$!
- ▶ Cross-scientific disciplines



Ronald Coase
Theory of the Firm
(1936)



Charles Darwin
Theory of Evolution
(1859)

Future of Work in Pharma

- ▶ How is your job going to change?
- ▶ How will your organization change in the New World of Work?
- ▶ Predict the winds of change accurately, secure your position/value
- ▶ Beyond valuable, to indispensable



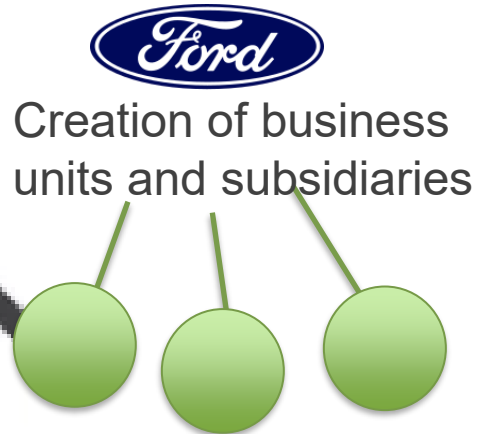
Modelling the Future: Inputs and Assumptions: Evolution of Other Industries

Evolution of Ford Motor Company

1900's –
1930's

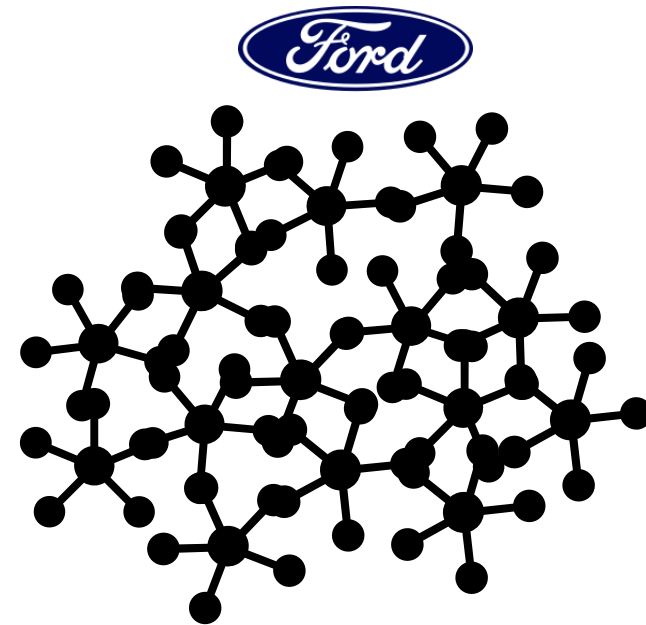
1960's-
1970's

Today



Rise of outsourcing to
Tier 1, 2, 3 suppliers

- 1- whole seats, etc.
- 2- plastic moldings etc.
- 3- raw materials



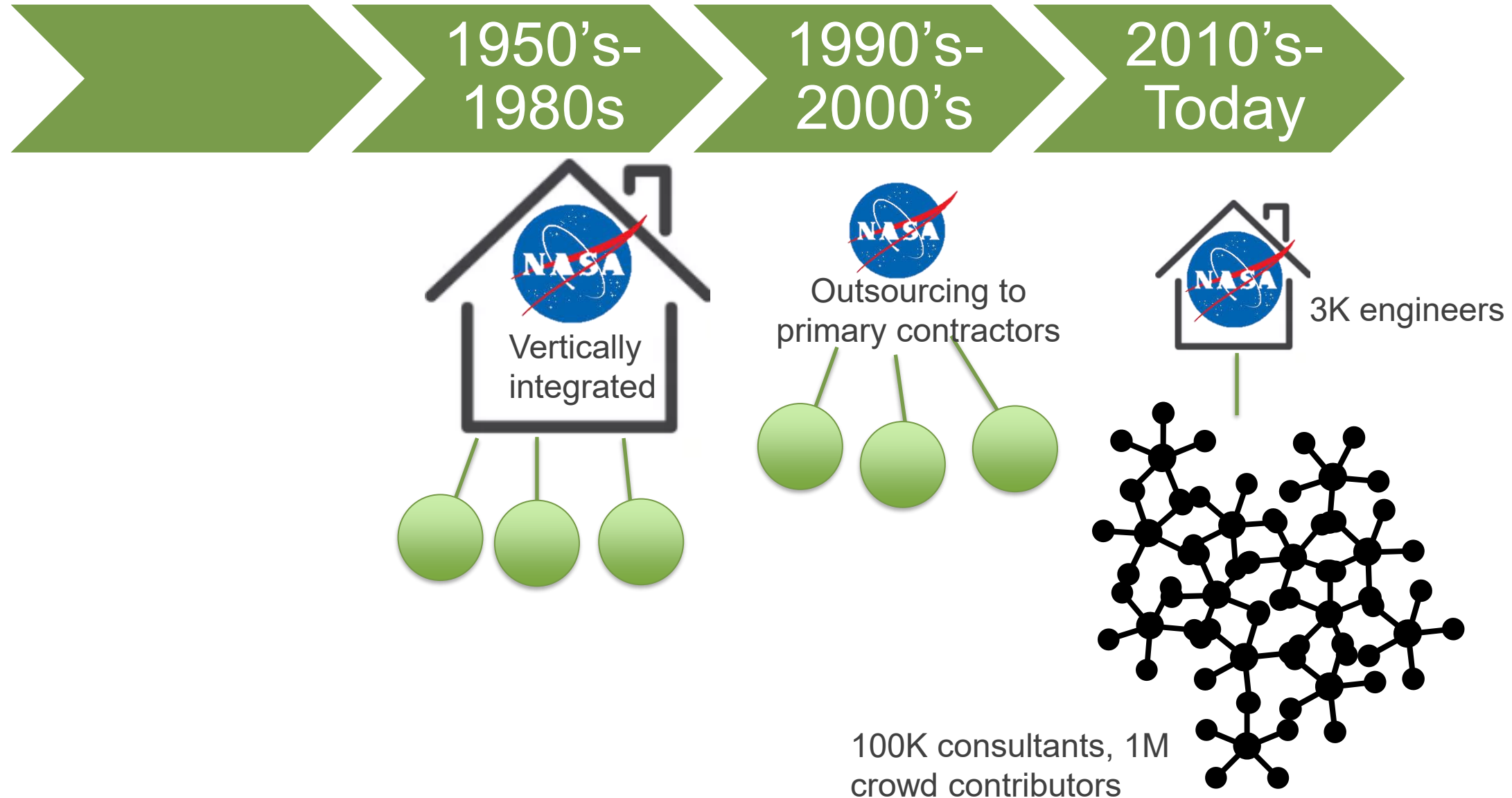
Modular, networked
conglomerate, final steps
of assembly, platforms

Evolution of Ford Motor Company- Take Away



- ▶ Granularization of production tasks
- ▶ Constant Redefinition (shrinking) of core competencies
- ▶ Future of work term: “Taskify”

NASA Embraces the Future of Work



NASA Embraces the Future of Work Take Aways



- ▶ Granularization of production tasks
- ▶ Future of work term: “Taskify”
- ▶ Constant Redefinition (shrinking) of core competencies
- ▶ Broke the Organization barrier to embrace the “Power of the Crowd”



Pharma's Evolution

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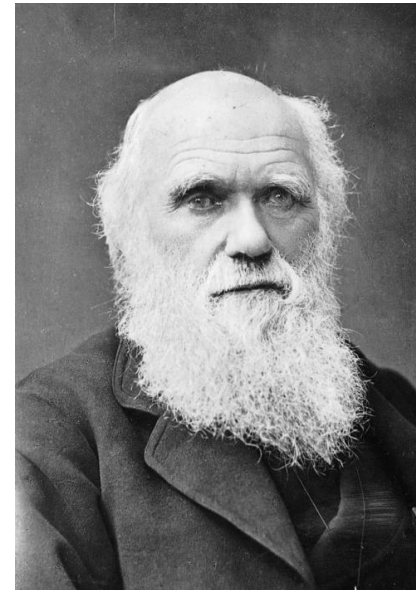
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?

Predicting the Future of Work in Pharma

- ▶ **IF** it's true that
 - Pharma has mastered outsourcing and moving into the next stage
- ▶ **AND**
 - Further cost cutting is inevitable
- ▶ **THAN**
 - How will pharma granularize further?
 - What will the networked model look like?



“Taskify” Drug Development

How to “Taskify” Drug Development

‘Start with the Work (Task), Not with the Job (Role)’

‘Job/Role is actually a collection of separate and fungible components (Tasks)’

‘Quantify the work (Tasks) in precise, deconstructed units, match talent accordingly’

‘Decouple work from the organization’

‘An increasing amount of work will occur outside the traditional boundaries of a “job”’



Thinking Through
How Automation
Will Affect Your
Workforce
(2017)

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Clarification of “Open Talent”

Consultant
Contractor
Contingent Workforce Program
Part Time
Temps



Middlemen
Hidden mark ups



*Direct contract w. independent
small business (of 1)*
No middlemen, no markups

How To Taskify Drug Development: Example

- ▶ Tier 1 Preclinical Regulatory Writing Group work shortfall:
 - 20 hours/week PhD Toxicology Strategist
 - 10 hours Module 4 eCTD Template redesign
 - 10 hours Module 4 eCTD Document formatting



How To Taskify Drug Development

FTE (Traditional)

Industry Tox PdD highly experienced- 20+ years
(not from academia)

Tox PhD- \$300,000 annual Salary

Weighed cost= x1.3, \$390,000

2080 hours= \$187/hr

Taskified Open Talent

Tox Consultant- \$300/hr

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Where Pharma's Future of Work Conversation Currently Stops

FTE (Traditional)

Industry Tox PdD highly experienced- 20+ years
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Tox PhD- \$300,000 annual Salary

Weighed cost= x1.3, \$390,000

2080 hours= **\$187/hr**

Real Work Hours: 1568 = \$248/hr

Taskified Open Talent

Tox Consultant- **\$300/hr**

Variable hours (10/week)- \$150K

eCTD Config (6/wk) @ \$150 hr =\$45K

Doc formatting (6/wk) @\$110 hr= \$32K

\$218K (\$170K savings)

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Total Open Talent cost: **\$218,000**

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How To Taskify Drug Development

FTE (Traditional)

Low likelihood of finding all this experience in one person...

....who is also within commuting distance of Office

1+ year project delay

\$100,000?

Taskified Open Talent

Finding 3 separate experts is actually easier than finding one person with all three



How To Taskify Drug Development

FTE (Traditional)

Key stakeholder cost of
interviewing

\$25,000?

Taskified Open Talent*

Immediate On Boarding

**Assuming Open-Talent Ready*

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How To Taskify Drug Development

FTE (Traditional)

Opportunity Cost of

-Unfilled role (\$100K)

-HR costs (\$25K)

Taskified Open Talent*

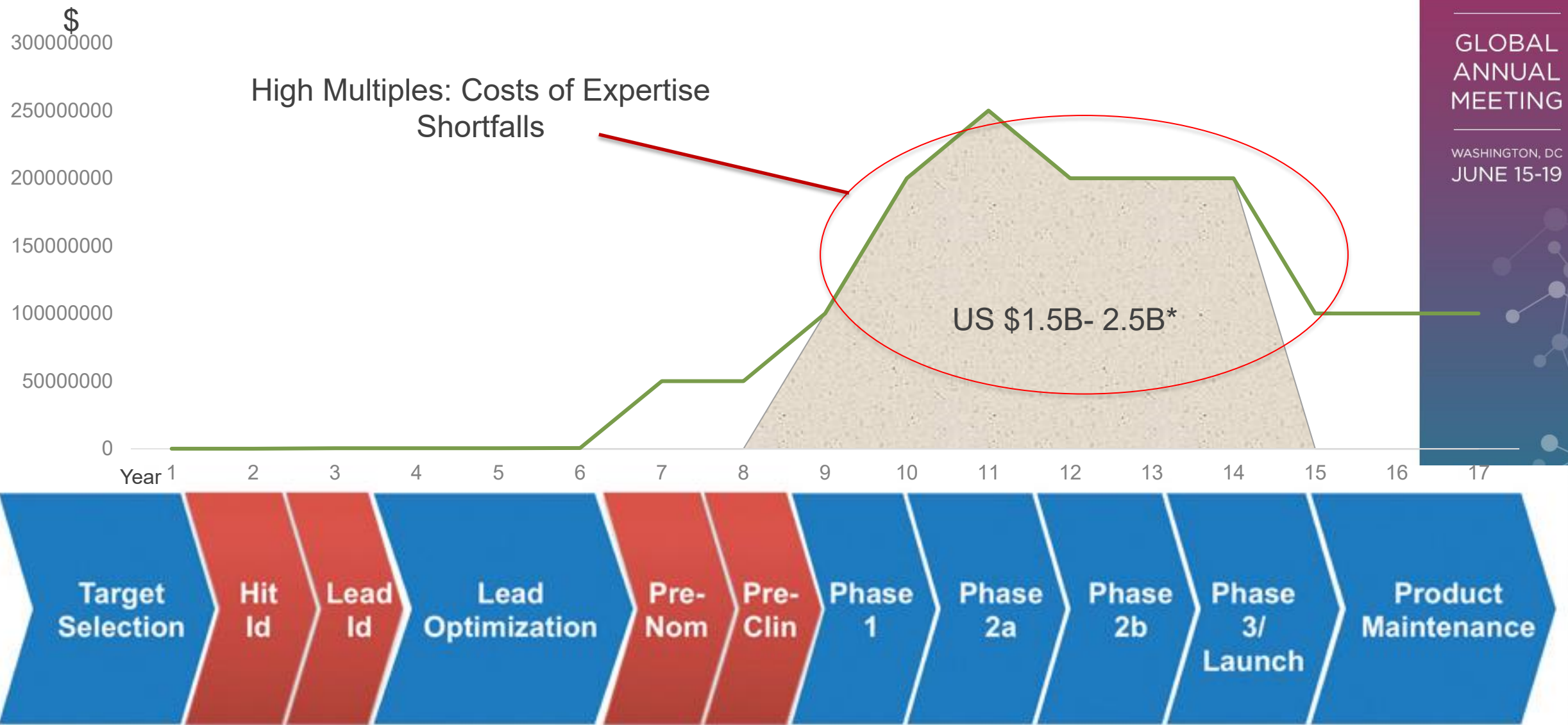
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OPPORTUNITY COST MULTIPLES- LATE STAGE OF DEVELOPMENT



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*~2020, London School of Economics, Tufts Center for the Study of Drug Development

How To Taskify Drug Development

FTE (Traditional)

Opportunity Cost = x2

-Unfilled role (\$100K) \$200K

-HR costs (\$25K) \$50K

Taskified Open Talent*

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How To Taskify Drug Development

FTE (Traditional)

Opportunity Cost = x10

-Unfilled role (\$100K) \$1M

-HR costs (\$25K) \$250K

Taskified Open Talent*

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How To Taskify Drug Development

FTE (Traditional)

Opportunity Cost =	x2
-Unfilled role (\$100K)	\$200K
-HR costs (\$25K)	\$50K
Weighted Cost	\$390,000
HR Lawsuit Risk	?
Average Tenure	3-4 yrs

Taskified Open Talent*

Open Talent: No
consequence hiring and
firing



How To Taskify Drug Development

FTE (Traditional)

\$640,000

Taskified Open Talent*

\$218,000



*Coase Theory
of the Firm
(1936)*

*Firm exists to make efficient the costs of using the market
for economic activity*

- Searching for information
- Negotiating contracts
- Monitoring and enforcing agreements
- Legal and administrative overhead

“Transaction Costs”

- **Tasks** are the *activities* that need to get done.
- **Human resources** are the *means* by which firms carry out tasks.



How To Taskify Drug Development

FTE (Traditional)

\$640,000



High friction

Taskified Open Talent*

\$218,000



Low friction

“Transaction Costs”



*Coase Theory
of the Firm
(1936)*



90% savings using Open Talent



Barriers to the Future of Work in Pharma

- ▶ Complex FTE-oriented systems already in place
- ▶ Scientific Project Lead: “It’s not my job to find resources, it’s HR’s job!”
 - HR doesn’t know the drug development task
- ▶ Powerful Gatekeepers: Procurement, legal, HR
 - Few project leads have direct spending power
- ▶ Traditional belief that FTEs are preferably/better/safer
- ▶ Culture of risk aversion

Barriers to the Future of Work in Pharma

- ▶ “How to I protect my IP I have any different task performers coming and going on a project?”
 - Edward Snowden
- ▶ How will [future resources develop] if everyone is working individually task by task without the environment of a group learning and growing from each other?
 - Entry level jobs that require 5 years or more experience
- ▶ You say no training or onboarding is required, but GLPs (GCPs, GMPs) require that I document qualifications and training for my staff. How would this work in a task based approach?
 - Document formatter required to take 127 SOP training modules before starting.
 - Digital credentials (GCP training)
- ▶ If I have a task based project team, how will I know they are “in it to win it” at crunch time? We have all experiences the BLA that must be submitted by year end and people are working through Christmas to get it done.
 - Task based on the front lines of their own revenue generation. Reputation is everything!

How to Start Taskifying Pharma's Future of Work

- ▶ Don't expect HR to save you!
- ▶ Take full responsibility for you/your department's tasks
- ▶ Day 1 Year 1- make predictions per task
- ▶ Bill all hours by task
- ▶ External spend:
 - Ask your expert “what are you being paid per hour?”
 - Check contracts to make sure this is OK
 - DO NOT sign contracts that prevent this
 - As your VP “what are we paying per hour?”
- ▶ Call me!



Thank You

Sheila Mahoney

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