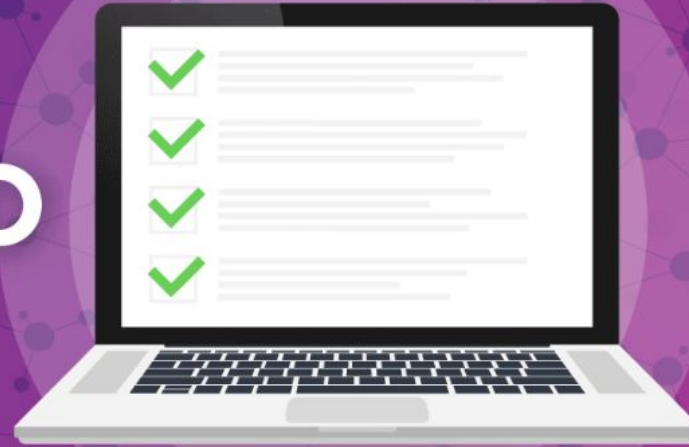


BIOCENTURY

The Future of BIO

Survey



Survey: The Future of BIO

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BioCentury's survey on the future of BIO

As BIO searches for its next CEO, it has an opportunity to take a step back and examine how well its priorities and delivery on its mission are aligned with the expectations of its stakeholders.

The next CEO inherits an organization with the mandate and potential to influence the success of the biotech industry.

At the same time, they will face low morale internally, after a period of management turmoil, and frustration among the biotech community that BIO failed to prevent Congress from including drug price controls in the Inflation Reduction Act.

BioCentury's survey of the biotech community addressed the future of BIO, asking:

- how relevant the organization is to company leaders
- what its role should be in the ecosystem
- what would make a good CEO



BIO's mission is important and clear. Execution is the problem

Key survey findings: relevance and role

- **BIO remains an important and relevant organization for the community, with similar levels of support among members and non-members.**

With that engagement, however, come a lot of opinions, and many are negative. The criticism isn't confined to the recent internal upheaval or the IRA. Many feel BIO is too oriented towards large pharmas at the expense of smaller biotechs. And passions run high about BIO taking a stance on social issues. While some are strong supporters, many more want BIO to stay in its lane and focus on issues of direct relevance to the industry.

- **The community sees BIO's top priority as advocacy on legislation. But most do not think BIO has been effective recently.**

The most common complaint is that BIO did not influence the IRA outcome to prevent or mitigate the blow to the industry. And those who are most critical appear the most vested; they prioritize advocacy more than the satisfied contingent. Most stakeholders support BIO contributing to political candidates, but want it confined to industry-relevant policies.

While the majority want BIO to improve how the industry is perceived by the public, many cite this as another area where the organization has fallen short.



Communication is the common denominator

Key findings: member benefits and the next CEO

- **BIO is strongly credited for facilitating partnerships, but it could reconsider the value and the messaging around some of its other benefits**

While BIO's assistance for partnering is highly rated, there's little enthusiasm for benefits such as group purchasing agreements. The survey indicates a need to better articulate the value of BIO's work with FDA, including negotiating user fees and advancing regulatory innovation.

- **BIO's next CEO needs to straddle the world of policy and business. Staying connected with its membership will be key to balancing demands**

Respondents are looking for the same leadership qualities they'd seek in a biotech CEO, but the calls for policy, drug development and business expertise underscore the complexity of the role. Communication and consensus building feature prominently among the write-in comments. If the CEO builds a plan of outreach, they will likely be rewarded with plenty of engagement.



Survey details

- The survey ran from Oct. 28 - Nov. 1, 2022
- Independently conducted by BioCentury editorial staff
- 148 respondents including: 76 BIO members and 72 non-members
 - 88 from biopharma companies;
 - 57 members (75% of members overall)
 - 31 non-members
 - 4 from industrial biotechs
 - 1 from agricultural biotech
 - 18 investors
 - 2 CROs
 - 35 others, including 8 working in public relations and 6 consulting



BIO's relevance remains strong

The community believes in BIO's relevance but is dissatisfied with its recent performance. Many feel it has become distracted by broad social issues and is out of touch with its core stakeholders, SMEs and startups, and with its core mission of advancing the biotech industry.

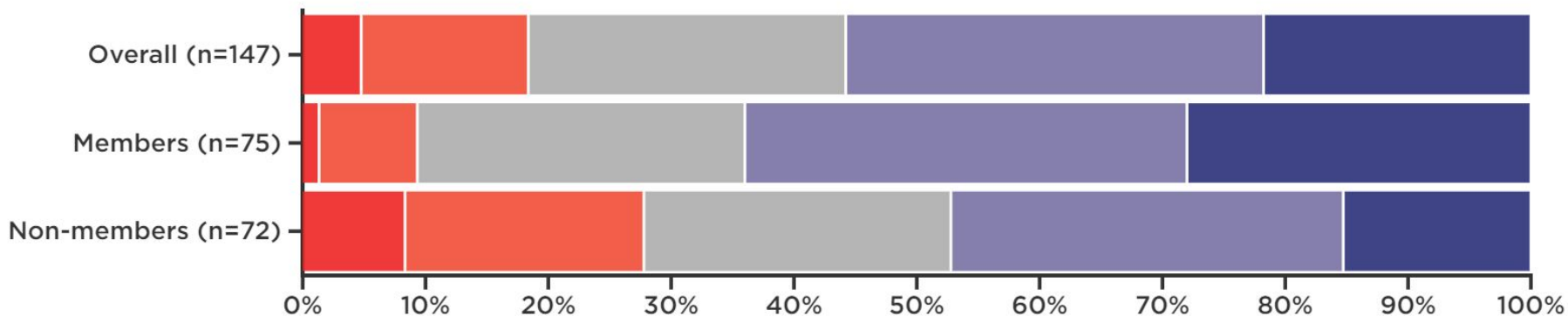


The community wants a functioning BIO

From essential to mildly relevant, 80% see positive role for BIO

"How relevant is BIO to you as a company leader?"

Irrelevant I don't think much about it Mildly relevant Fairly important Essential



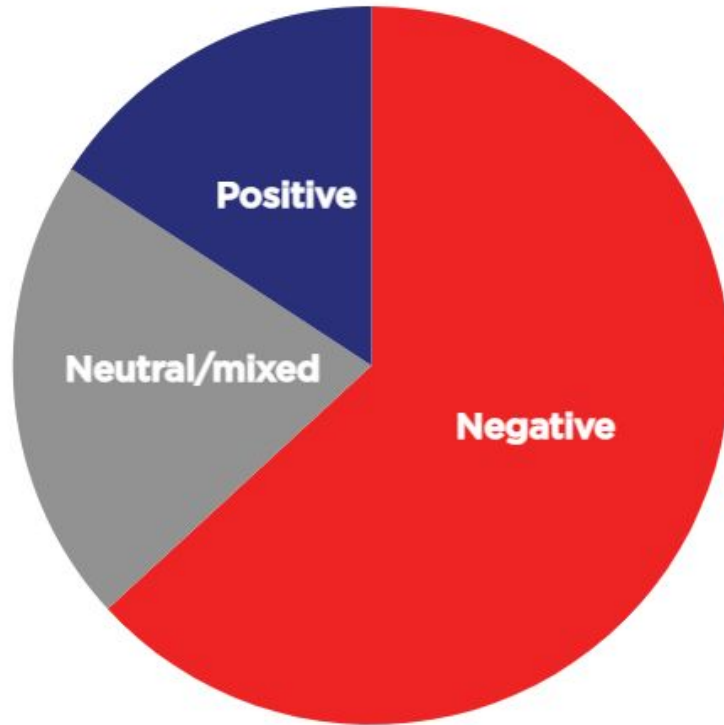
- More than half think BIO is important, 22% say it's essential
- The numbers suggest BIO can grow: over 70% of non-members think it's relevant, important or essential
- BIO has room to improve: almost 20% of respondents aren't advocates - either BIO is not on their radar or they think it's irrelevant



But there's discontent over its recent performance

76 write-in comments were classified by tone

**Tone of write-in responses to:
“Do you have any comments on BIO’s advocacy
or relevance to the biotech industry**



- There were four times more negative comments than positive ones
- While more members commented overall (46 v. 30), 63% of comments from both groups were negative
- Neutral and mixed comments either passed no judgement or included both positive and negative sentiment

Constructive criticisms, and complaints

Select write-in comments

- A major theme is that BIO is too focused on large companies at the expense of SMEs
- The passage of the Inflation Reduction Act features as one of BIO's recent failures to influence legislation
- Many focused on BIO's perceived social agenda
- Others lament BIO's messaging and communication

BIO seems to be way more focused on Pharma than Biotech. No longer is it helpful for small companies.

Big time fail in the Inflation Reduction Act, support on public health and perception of the industry around COVID. Disappointing misses.

BIO should remain focused on biopharma and not become a social change organization.

BIO's advocacy role and messaging of its roles and accomplishments is not well communicated to the public. I'm not aware of what BIO has done recently.



Positive sentiment is mostly on BIO's relevance and role

It is very important to the industry only from a government policy and legislation and public perception perspective.

Strong and trusted especially as compared to PhRMA

BIO has a strong relevance especially representing on issues related to therapies regulated by the Center for Biologics and keeping engagement on new tech such as cell and gene therapy a top priority.



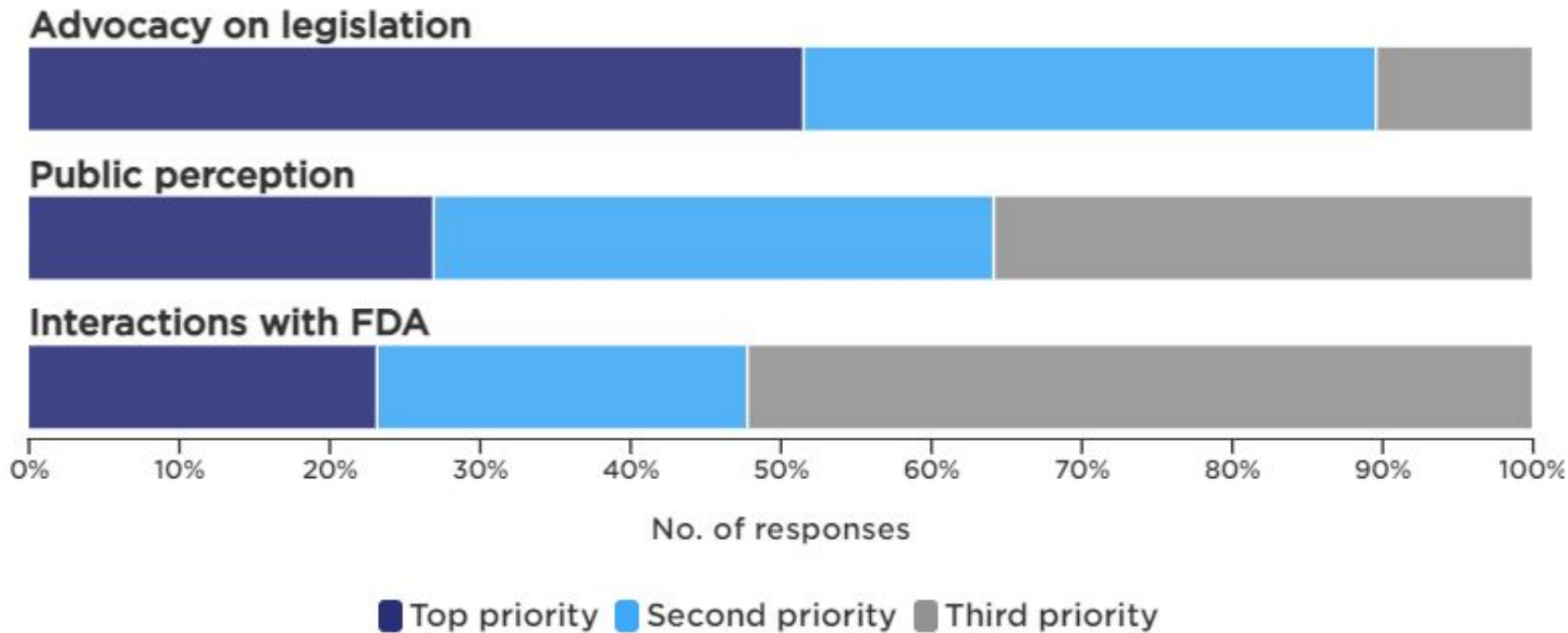
BIO's advocacy scorecard

Advocacy is clearly the community's top priority for BIO, but sentiment is at best lukewarm about BIO's effectiveness. And while most respondents are comfortable with BIO contributing to political candidates, in general they want support based only on industry-relevant policies.



Most of all, the community wants BIO to influence legislation

Rank order the following BIO activities by importance

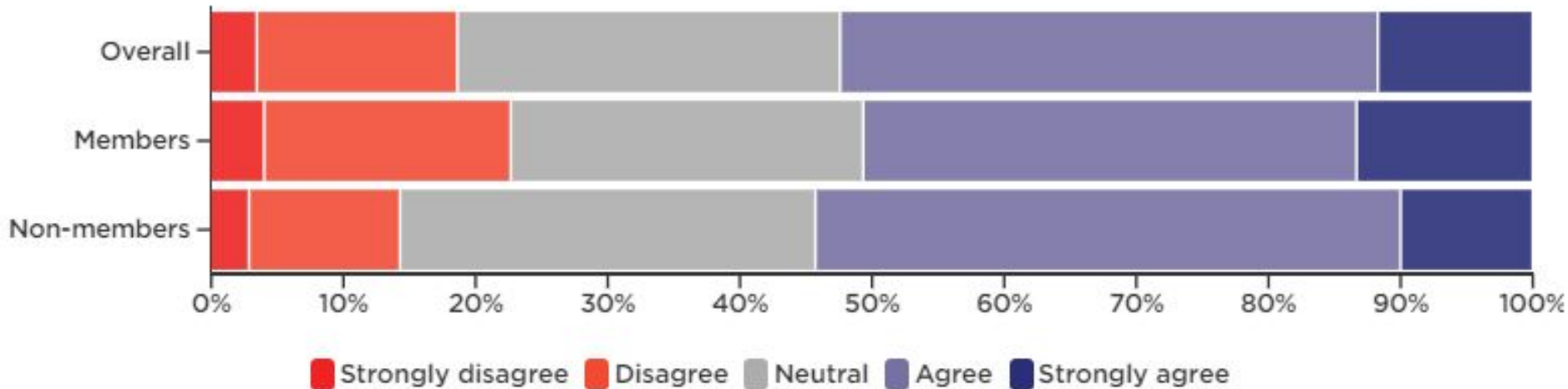


- 90% see advocacy on legislation as either first or second in importance, with more than half (52%) putting it as the top priority
- Improving public perception of the industry ranks second; a minority focus on BIO's work with FDA



But only half say BIO is doing a good job on the Hill

“BIO is an effective advocate in Washington for the Biotech industry”

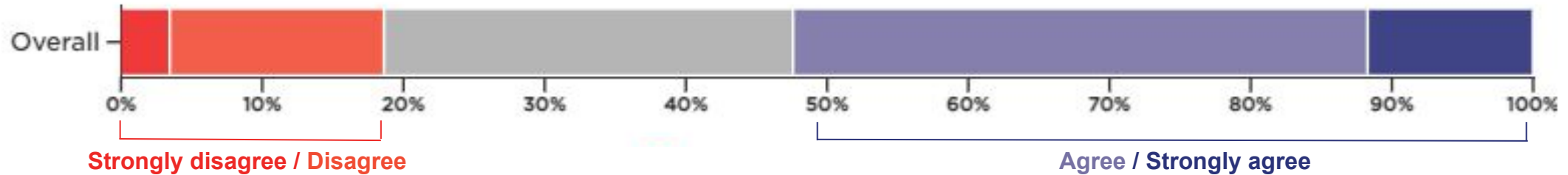


- 52% of respondents say BIO is effective in Washington, with under 12% giving a strong thumbs up
- Members are more critical than non-members: 23% vs 15% voiced discontent

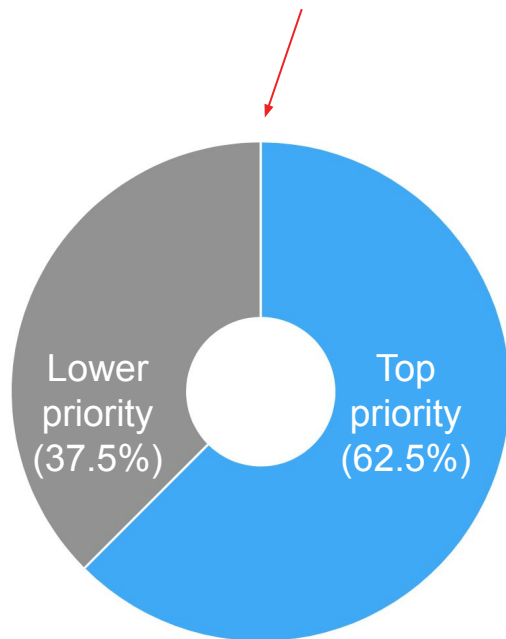


Advocacy is even more important to those dissatisfied

“BIO is an effective advocate in Washington for the Biotech industry”

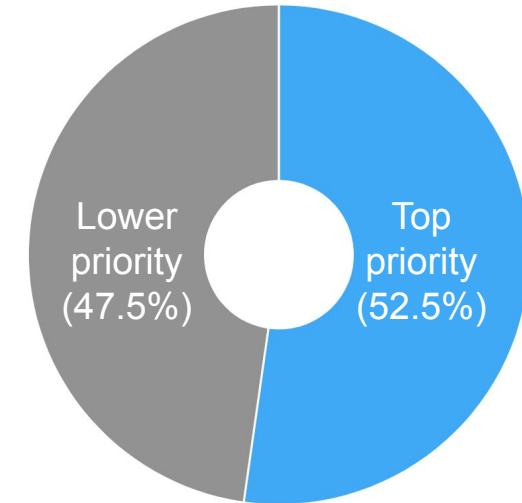


Data from slide 13



Prioritization of advocacy

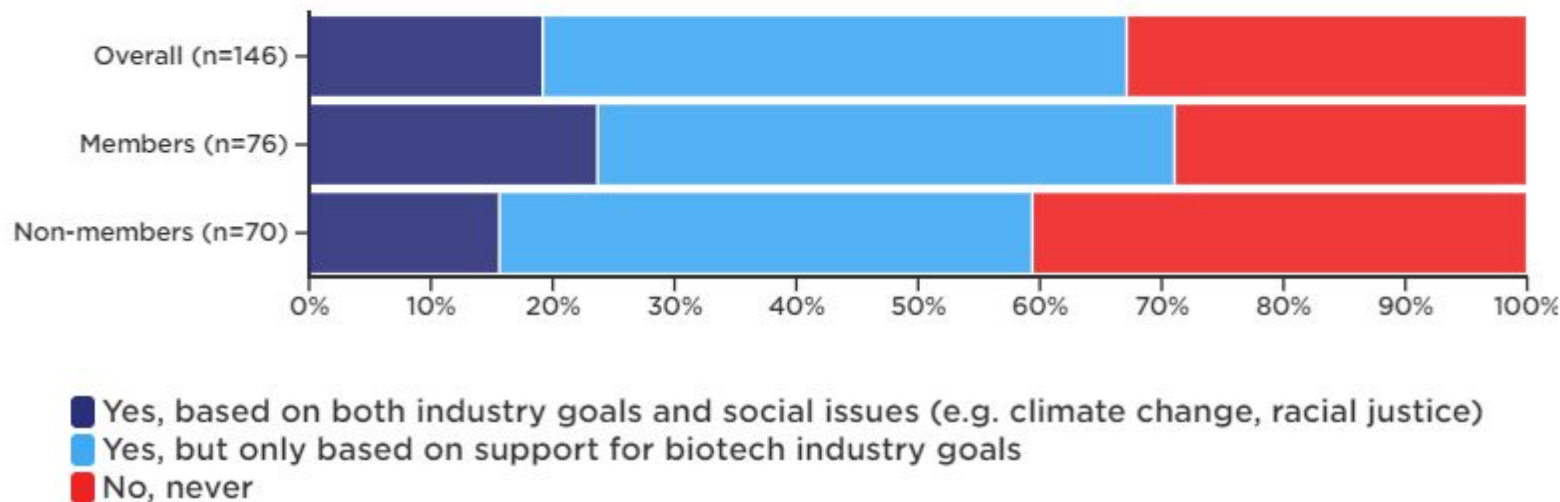
- Among **dissatisfied** respondents, 62.5% say advocacy is top priority
- Among **satisfied** respondents, 52.5% rank it highest



Most want BIO to fund politicians on industry goals only

And a healthy third (33%) said BIO should NEVER contribute to campaigns

Do you think BIO should contribute to political candidates?



- Though a majority (67%) approve of political contributions, most want them limited to candidates' positions on biotech-relevant goals. They outnumber 2.5-fold the caucus who'd consider social issues
- Non-members are more averse to funding any politicians; 41% vs 29% say "no, never," contribute



Rating BIO's benefits

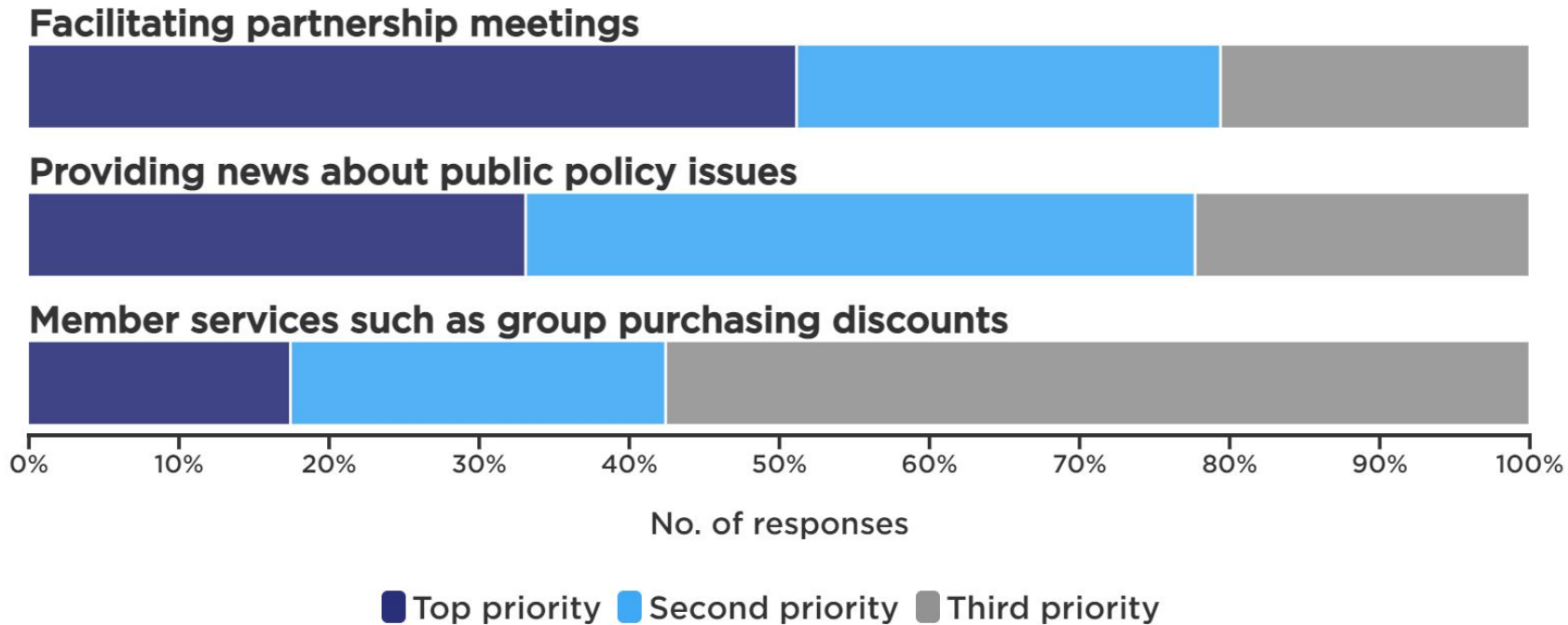
Facilitating partnering is a strong point for BIO, with its news on policy issues also ranking as an important benefit. BIO has work to do to convey the value of its interactions with FDA.



Partnering primacy

Facilitating partnering seen as top member benefit by more than half of respondents

What are the most important member benefits to you?



- Nearly 80% see partnering and news as top two benefits
- Group purchasing discounts carry much less weight

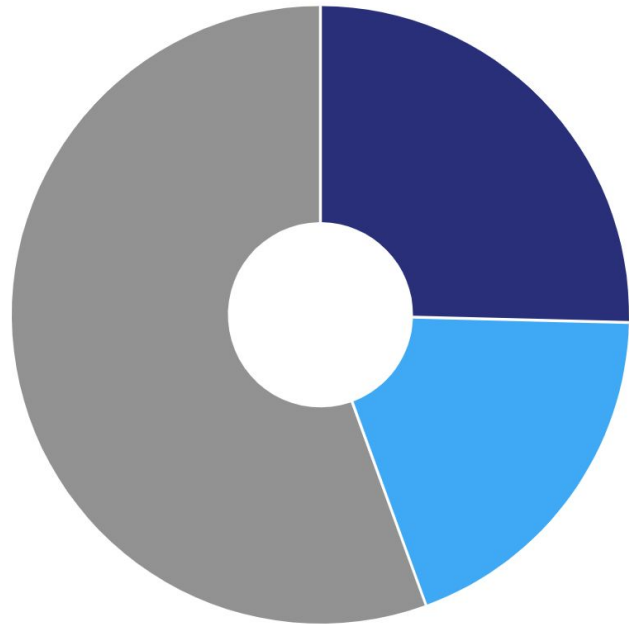


Majority don't know - or value - BIO's work with FDA

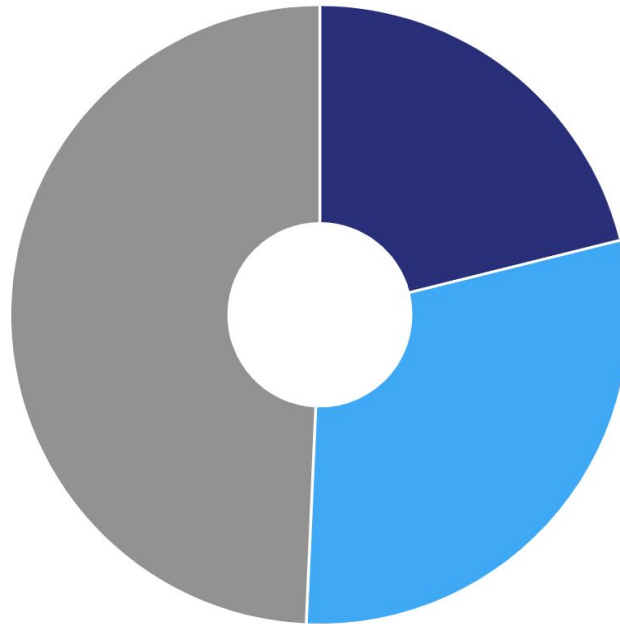
Less than one quarter ranked FDA interactions as the top priority

Importance of BIO's interactions with FDA

Non-members



Members



■ First ■ Second ■ Third

- Across members and non-members, more than half ranked BIO's interactions with FDA as the third of three priorities



Lessons for BIO?

Respondent write-in comments help interpret the numbers

**Group purchasing discounts:
does BIO need to rethink the value?**

“There is duplication between BIO and regional groups like MassBio - the discounts with suppliers and CROs are identical with membership of both groups.”

Survey respondent

**Interactions with FDA:
does BIO need to explain its value better?**

“Don't undervalue the smoothness or importance of the FDA PDUFA renewal where BIO shined in years of quiet, detail-oriented work on behalf of hundreds of member companies who lack the staff resources to focus on this critical project.”

Survey respondent



BIO's future leadership

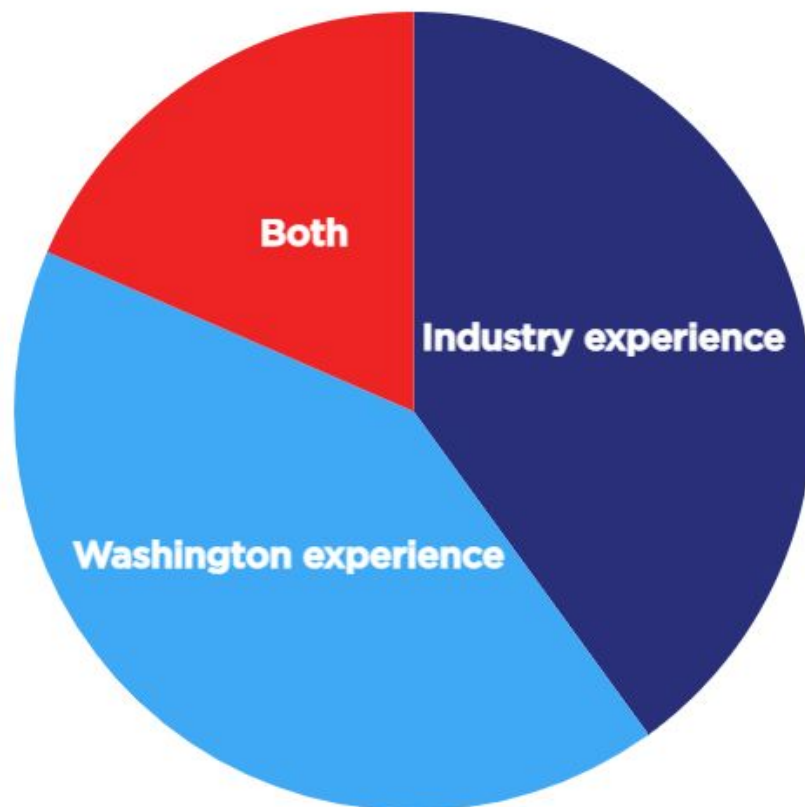
The next CEO needs to couple industry know-how with policy experience. Many want them to have walked the walk and come from biotech. Above all, stakeholders want a good communicator, with integrity, who can navigate Washington to serve biotech.



CEO needs right personality, experience

96 comments described need for experience (32%), personality traits (34%), or both (31%)

Type of experience needed



- Most common personality traits were leadership, communication skills, integrity and credibility
- Several call for global focus, not just U.S.
- BIO's founding CEO Carl Feldbaum positioned as the ideal by two respondents
- While most cite legislative acumen when describing DC experience, several reference the need to work with FDA and payers
- Industry experience calls for management, investment and clinical knowledge

The next CEO needs credibility coupled with experience

Select write-in comments

What kind of person

- 1. Capacity to maintain and inspire a strong and healthy internal organization!*
- 2. A solid capacity to advocate for our industries, science, and innovation protection.*
- 3. Capacity to help us reset respect for the biotech/pharma industry.*

Integrity, respect, superb communicator, comfortable in interactions with politicians

What they've done

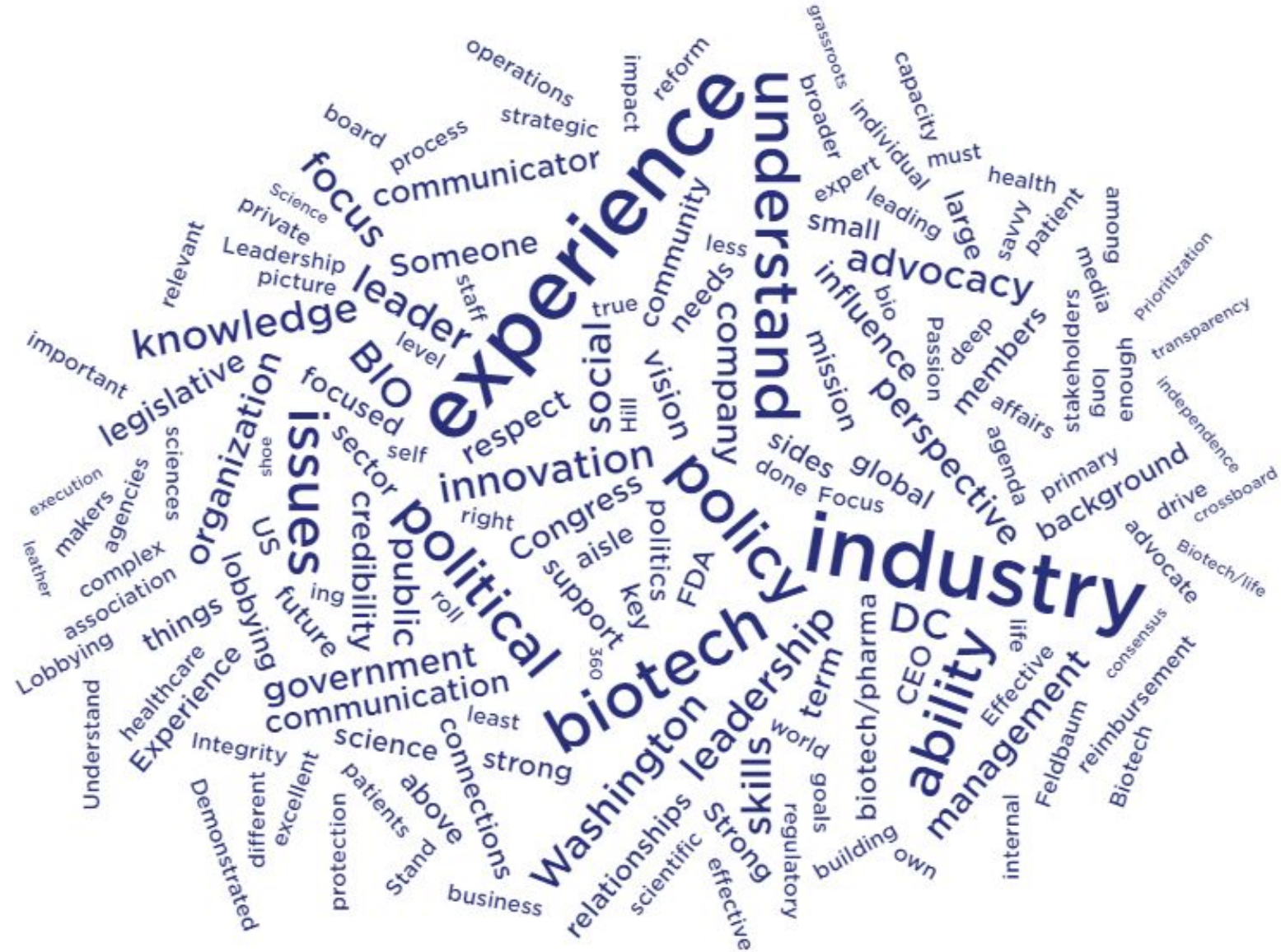
Track record of advocating for patients and the biotech industry and having a meaningful impact in these areas.

Connection to political offices in Washington

Preferably a leader from within the small- to mid-cap biotech segment who understands the challenges of innovating at ground level, with limited infrastructure



BIO's future CEO must be or have ...



Survey respondent statistics

148 respondents, about half are members

