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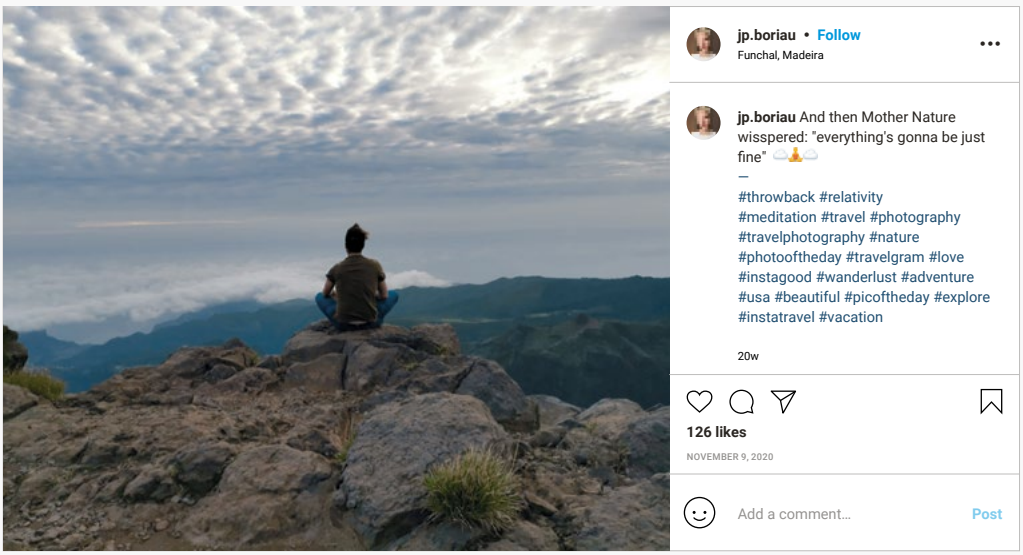
connect 03

Dialogues on Life Science Management and Markets

Contents



Game Changer or Accelerator? Don't Blame it All on COVID-19

Crises are points of inflection. Some things come to an end; others emerge newborn. No sector has been challenged more greatly by the COVID-19 crisis than life sciences. With the dust slowly clearing, more and more people are asking themselves what the true impact of COVID-19 will be. Will it prove to be a significant game changer?

Metaplan's Next Normal Task Force has observed an accelerator effect. The pandemic has laid bare trends already underway. The articles in this issue delve into these transformative shifts and delineate the efforts of market players to orient themselves in a situation that is perhaps best depicted in this issue's stark images. During the pandemic, #wandererabovetheseafog trended on Instagram—inspiring thousands of reenactments of Caspar David Friedrich's famous painting. Often interpreted as representing the sublimity of man in the face of nature, and the determination to grow beyond one's own limits, the painting inspired countless people to take up the same stance. We've asked some of them for permission to share their images here.

Leaders in the life sciences sector cannot simply seek balance in this fog: At points of inflection, decisions are needed. We hope that this issue of **connect** will offer up an opportunity for reflection as you confront the challenges ahead.

Another inflection point has been reached by Metaplan's office in Princeton, N.J., which was founded by Franz-Josef Tillmann 20 years ago. All of us congratulate Metaplan U.S. for their hard work, inspiration and innovation. We are looking forward to the next 20 years! ⊠

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After COVID-19: What Will Become of Hospital Sales Representatives?

The pandemic has forced the industry to reconsider the role of pharmaceutical sales professionals. Have the changes brought about by COVID-19 made them obsolete?

It has always been a challenge for pharmaceutical companies to capture the attention of busy physicians and inform them about products and treatments. In recent years, this undertaking has grown ever more difficult as access to hospital doctors has become scarce. Doctors struggling with increased patient loads have less time available for sales representatives; growing competition between pharmaceutical companies increases the pressure felt by health care providers, which in turn creates pushback against sales staff. Complex regulatory constraints and hospital rules restrict access even further.

COVID-19 accelerated these trends and brought this situation prematurely to a breaking point. Previous habits and ways of working became obsolete overnight, forcing sales representatives and their managers to urgently rethink their positioning and their interactions with hospital physicians.

What they discovered in the months that followed calls into question the notion that things could resume as usual once the pandemic fades. After these sales professionals overcame the shock and frustration of being cut off from their customers for several months, they took a step back to consider key insights the pandemic had laid bare: Feedback from the field revealed that some doctors actually felt relieved to no longer be seeing the sales representatives, and for many physicians digital visits weren't welcome unless they were connected to something new or an ongoing project. Furthermore, sales representatives had quickly realized how hard it was to have a significant impact in a virtual visit, especially when trying to build a new relationship.

A Glimpse Into the Future

With the entire mission and function of sales representatives called into question, stakeholders throughout the industry began to ask: What will the post-pandemic future look like for pharmaceutical sales staff as health care providers carry their experiences into a new era? In an effort to answer this question, we interviewed a number of sales representatives and their managers. Their analyses vary widely—but three main scenarios emerge:

Scenario 1: The end of hospital sales representatives

Some foresee the end of a business model that relies on physical visits and the cultivation of "personal" relationships. Pharmaceutical companies have been quite slow to update their commercial model into a more digital one, and the COVID-19 crisis presents a unique opportunity for leadership teams to test new approaches. However, the elimination of hospital sales representatives would probably bring about dramatic HR consequences, and the industry may not want to opt for such a radical change.

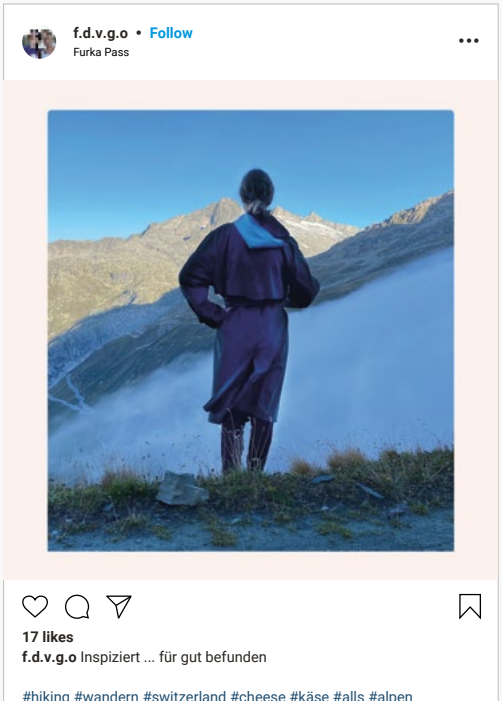
Scenario 2: Back to business as usual

Despite the pandemic, some physicians frequently skip virtual calls but are willing to meet representatives in person. These health care providers are getting tired of virtual relationships and want to reconnect face-to-face with their colleagues and even with sales representatives. Some managers in the industry see this as a sign that old routines will be stronger than new habits. However, as the crisis continues and new practices become more entrenched, this scenario seems increasingly unlikely.

Scenario 3: Repositioning of sales representatives through value-added projects

Before COVID-19, some hospitals already required that sales representatives have a precise reason or special project in order to be granted access. The ongoing crisis has reinforced that trend, and some believe it is likely to become a common institutional policy. With such rules in place, sales representatives will remain useful players only if they can bring value to their customers. "Friendly" personal relationships will no longer be enough.

To us, this third scenario seems the most likely eventuality. It is also the one pharmaceutical companies appear to be betting on, as demonstrated by a variety of steps they have taken.



Toward a Value-Added Approach

To prepare for a future focused on a service-minded sales model, industry leaders must first understand what kinds of initiatives physicians and hospital staff will perceive as delivering added value.

To answer that question, we conducted a workshop with oncologists that revealed a great deal about what types of pharmaceutical industry inputs and contributions health care providers find most attractive. These are the key benefits and value points the physicians highlighted:

a. Clinical research and creating access to treatments (i.e., early access programs)
b. Medical education and information
c. Optimizing patient care and patient pathways
d. Improving relationships between health care providers (such as pharmacists, other specialists, etc.)
e. Improving relationships between health care providers and other stakeholders (such as health authorities, patient associations, innovation labs, startups, etc.)

Shrewd pharmaceutical organizations are already developing and expanding programs that serve these needs. In our work with industry clients, we support a growing number of initiatives. These programs tackle such challenges as reducing the inequality of access to cancer patient care in a given region; creating a group of young(er) regional leaders in hematology committed to rethinking patient pathways in the post-COVID-19 era; and improving neurology patient follow-up through digital tools.

How Pharmaceutical Companies Can Prepare

In order to develop these kinds of innovative projects with health care institutions, sales representatives will need to develop novel approaches, a fresh mindset and new skills: They will need to question stakeholders, investigate institutional needs, consider the desires of various stakeholders, develop innovative solutions, create buy-in for those solutions, and reconcile these new initiatives with company guidelines.

These may be common project management skills, but they are far from a given for most sales representatives. And the requirements don't stop there: Representatives will need to tailor their methods to the specifics of the relevant health care systems and to the culture and processes of the representative's own employer.

Under this approach, sales representatives would be taking on an ambitious mission: to centralize the expertise and knowledge of the pharmaceutical company (and, at times, of other stakeholders such as suppliers and startups)—all to bring a meaningful solution to a single customer.

In our work with clients, we have seen that for this new approach to work, strong direction from company leadership is necessary, as is the introduction of comprehensive internal programs. In the case of one pharmaceutical client, we are currently involved in training 75 hospital sales representatives in oncology and creating new internal structures and guidelines. This work will support the development of innovative projects with cancer care institutions and departments.

With this shift in approach, it is more important than ever that sales staff be given the opportunity and skills to master digital interactions—just as they once mastered face-to-face interactions. In virtual formats, health care providers' attention is harder to capture, and it is harder to create the informality necessary for effective relationship-building. Sales representatives will need to better prepare for their interactions with health care providers, and they will need to invest time and resources into fine-tuning their approach.

A New Opportunity

The profound shifts of the COVID-19 pandemic have created openings for flexible transformation across all industries. Pharmaceutical sales is no different. For those organizations that can move swiftly to embrace this new model, this crisis doesn't present a threat so much as an opportunity to create a new and more effective way for pharmaceutical companies to partner with hospitals and health care providers. ⊠

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JANUARY 8, 2021

It's Time to Question Everything

The entire pharmaceutical landscape has changed. To meet the needs of the future, industry leaders need to reconsider the very foundations upon which their companies are built.

Over the last few years, there is little in the pharmaceutical industry that has remained unchanged.

The needs of health care providers have shifted, making it increasingly difficult for companies to reach them via traditional channels and methods. Gene therapies and other innovative treatments have altered the very nature of pharmaceutical companies and the roles they must play. Most recently, COVID-19 has upended how both pharmaceutical company employees and physicians do their jobs.

Understandably, professionals throughout the industry feel buffeted by these fluctuations. But it is precisely in times of such fundamental change that it is most important for company leaders to adopt an open-minded approach as they envision the future.

These seismic shifts should be a rallying cry to forward-looking leaders throughout the industry. It is time to reevaluate from the ground up the very assumptions and considerations that pharmaceutical companies' structures and practices are built on. There are more of those than one might think. Those who adopt a willingness to change and a commitment to adaptability will position themselves to thrive in the decades ahead.

Business Models Built to Meet the Needs of the Past

The business structures of today's pharmaceutical companies stem from the market forces of the past, long-standing industry cultural norms and the strict rules created by companies' interpretations of compliance guidelines.

Too often, this allegiance to the practices of the past keeps pharmaceutical companies from responding to the true needs and wants of the health care providers who are their primary customers. These providers—like the pharmaceutical companies themselves—are contending with a shifting industry and limited resources. Often, what they most want from pharmaceutical companies is improved options for care and more detailed, actionable information about treatments. However, access to those resources is limited both by compliance measures and by the division of labor within pharmaceutical companies' medical and sales operations.

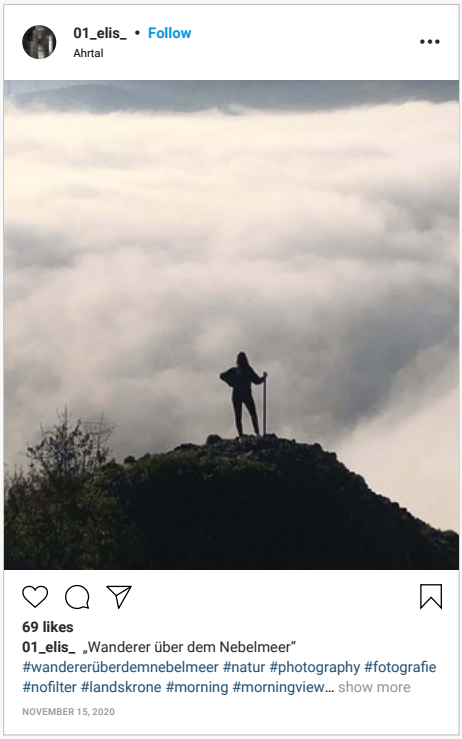
Without a customer-centric approach focused on meeting the needs of the institutions and physicians who prescribe their products, it is challenging for pharmaceutical leaders to improve profits and outcomes. In and of itself, this is far from a revolutionary idea; after all, a user-centered perspective is standard for consumer brands and startups. But for pharmaceutical companies any shift to this new approach has come slowly, hampered by the unhurried pace of change set by regulatory processes and reinforced by a culture of caution.

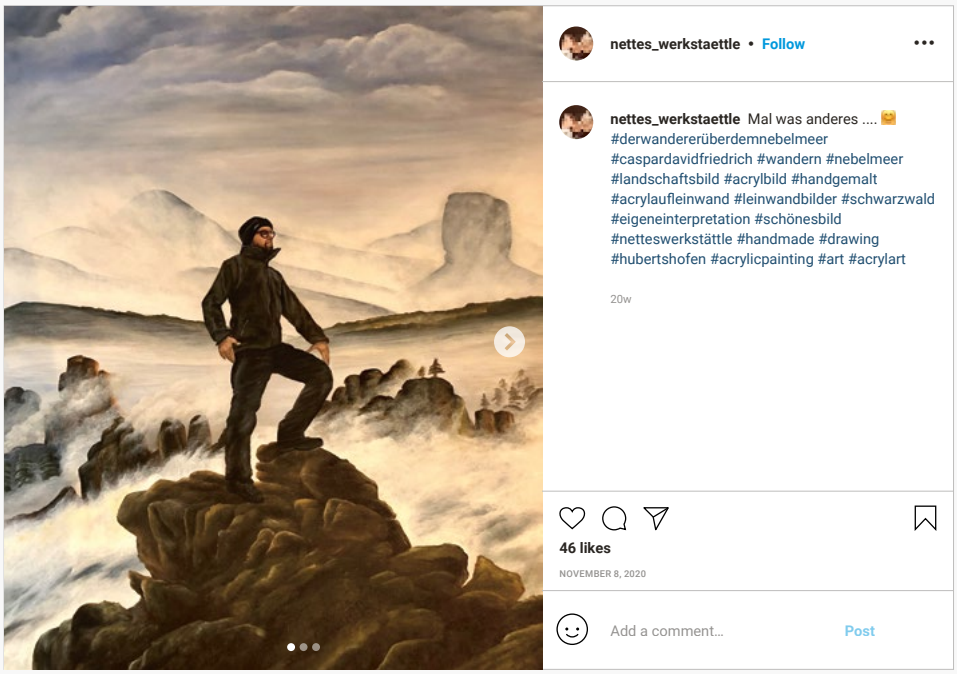
Opportunities for Innovation

Traditionally, pharmaceutical companies have been organized into strictly separated silos intended to keep development, medical, access and commercial functions independent of one another. As customer needs have shifted and health care providers have sought new insights and more textured medical information, these silos have turned health care providers' interactions with pharmaceutical companies into a source of great frustration. Sales staffers, the most frequent points of contact for health care providers, are often not allowed to answer the technical questions that are most pressing for physicians. Pharmaceutical companies' medical personnel can answer questions about such matters as off-label uses, but they rarely interact with the same health care providers.

When COVID-19 descended on our society in 2020, it laid bare this shift, which at the time was already well underway. Suddenly, physicians became even more protective of their time and less willing to schedule appointments with pharmaceutical company staff assigned to work in the field. Simultaneously, hospitals intensified their policies limiting pharmaceutical representatives' access. These workers in the field found themselves having to create new approaches and workarounds to accommodate the limitations of remote meetings and health care providers' dwindling interest.

In this scenario, it wasn't only the customers' needs that weren't being met. Sales staffers were no longer able to meet the needs of their own organizations—a dissonance that has put tremendous pressure on sales professionals, decimating morale and creating an atmosphere of uncertainty and even fear.





As these roles have begun to change, the nature of the products developed by pharmaceutical companies have begun to evolve as well. Innovative treatments such as gene therapies and CAR T-cell cancer therapies have altered the dynamics between pharmaceutical organizations and health care institutions, making hospitals and treatment centers an integral part of the treatments offered by pharmaceutical companies. These treatments also upend traditional supply chain considerations and practices.

With such profound changes at play, pharmaceutical leaders must carefully examine the forces impacting market drivers, product requirements and business functions. Many will find that their company's products, marketplace and business structures no longer align.

A Pathway Toward the Future

So how can organizations free themselves from the foundations upon which they are built—in big or small steps? It is tempting to think that the forces that originally shaped the current structures make deep change impossible. But in reality, there are many levers available to those organizational stakeholders willing to pull them.

While rules surrounding compliance often seem untouchable, it is worth remembering that these practices and procedures are not directly defined by law. Instead, they are systems established by individual companies that are empowered to replace them at any time with adapted compliance rules better suited to the needs of the moment.

For those in search of lower hanging fruit, there are also any number of changes that can be made to company practices without impacting compliance guidelines. Companies could redesign the ways they interface with their environment. For example, leaders could simply choose to place more medical affairs staffers in the field, without offering them financial incentives that could be perceived to taint their motives.

For an organization to pursue this kind of innovation, the best place to start is not at the top. Instead, leaders seeking to invest in innovation must go exploring in their own backyard: They must explore market logics and speak to their own external-facing employees who have been dealing directly with marketplace shifts in the course of their work. If leaders can create an open space, free of judgment and risk, for these on-the-ground staffers to share the solutions and workarounds they have created, the leaders can then examine how and whether their organizations should support these solutions and help them grow. In some cases, these workarounds may become the starting point for fully scaled initiatives that will redefine how pharmaceutical companies do business. It is, truly, time to question everything. So we had better start doing so with open eyes and sharp minds. ⊠

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Agile: From Buzzword to Reality

In a mature organization, a truly agile approach requires a realignment of decision-making structures that goes far beyond employee empowerment.

It is a word that seems to be on the tip of every pharmaceutical professional's tongue: Agile. Organizations everywhere are turning to a so-called agile approach in the hopes of developing their products faster and speeding those products' arrival into the marketplace. This has been especially true in drug-development organizations, where leaders hope the new approach might make the industry's highly standardized and regulated processes more flexible. For these leaders, the consensus is clear: Within an agile approach lies the promise of acceleration.

When a mature organization proclaims agility to be the new North Star, mid-level managers throughout the company often interpret this as a mandate for a profound reorientation at every level: Processes must be changed so initiatives can fail fast; employees must exchange a functional mindset for an entrepreneurial interdisciplinary spirit; technology must shift from supporting processes to providing an operating system of its own.

But without deep structural changes, this mandate must inevitably run into roadblocks, overwhelming the organization on many levels. Amid normal company operations, such interventions often prove impossible or unfeasible. So if we don't want agile initiatives to wind up as nothing but fodder for glossy company brochures, we must ask: How can we create incremental changes that slowly spread true flexibility, resilience and speed throughout the organization?

To this end, we would suggest adopting a new definition of agility: the ability to find suitable solutions through decision-making structures that can react spontaneously and flexibly to changing parameters.

Empowerment ≠ Agility

All too often, companies believe the varied challenges of creating more flexibility can be universally met by employee empowerment.

In these cases, employees are asked to act on their own initiative and coordinate independently. They're told they should trust each other and trust in themselves. This approach hinges on employees' personal capabilities; it assumes that the employees of the past were marionettes of their structures, and that they were awaiting a newly found freedom that could only be gained through belief in themselves—rather than a belief in their organizations.

With this mistaken focus on empowerment, leaders overlook the potential for change embedded in an organization's structures. Decision-making processes, as well as the impact they have on employee behaviors and the speed of product development, go untouched.

Teams Need Power to Take Responsibility

In traditional drug development projects, team members can prepare and propose decisions, but the power to approve any plan lies with managers further up in the company hierarchy. Under this system, every team member is oriented toward the higher levels of that hierarchy, knowing that the true power rests there.

For these employees, empowerment messaging will have little impact if the true power remains out of reach. How can team members act on their own initiative if they cannot make the decision for or against a change in the development plan on their own? If supervisors cannot or will not relinquish their prerogatives, what do employees stand to gain from an empowerment campaign? Employees' attitudes will not change without an adjustment of the organizational structures that define how decisions are made.

It is only without the safety net of the hierarchy that employees on cross-functional teams can act autonomously and on their own initiative. With this freedom, decisions can be made by the working teams, dispensing with

the need to coordinate decision proposals with the hierarchy.

However, there is a caveat to any effective yet radical approach: Be careful not to go too far. The decision-making power of the corporate upper echelon has served as a status symbol and power resource. This advantage can be renounced, though perhaps not easily. But the decision-making power of hierarchical leaders has also ensured the cross-functional coordination necessary for successful development projects. For any organization seeking to dismantle its hierarchy, new communication processes and frameworks need to be established to take the place of those being left behind.

Abandoning Hierarchy to Create Agility

A non-hierarchical approach does not require that teams operate single-handedly or without plans. Instead, organizations working to reduce or eliminate their hierarchy must adopt extensive and detailed process rules. Organizations with pioneering agility initiatives find new, smart ways to coordinate their newly decentralized decision-making, through initiatives such as daily scrum meetings. For example, instead of delaying the approval of data readouts based on a fixed governance cycle, agile project teams can work with evolving coordination models that support real-time decision-making that can be based on interim data readouts.

Real-time decision-making can be further enhanced with a transparent, multi-project resource management system that informs about proposed resource allocation and simultaneously allows for reallocation decisions that take into account the whole development portfolio.

This sort of change represents a particularly significant shift for pharmaceutical development teams. In recent years, even before the COVID-19 crisis, many in this corner of the industry have lamented the inflexible and often slow coordination processes that have become common. In just one example, the decision of whether a milestone has been reached and the next development stage can begin can only be made through complex coordination processes including several hierarchical levels.

Focus on Cross-Functional Coordination First

Accelerating projects is not merely a matter of changing mindsets. Decisions are not made in less time through confidence-building measures, but because coordination processes have been altered to benefit decision-making on the team level. Development plans are executed faster not because employees have more confidence in their performance, but because they are given more freedom in the detailed planning of work.

Trust is not a prerequisite for the acceleration of development projects, but rather a consequence of well-adjusted cross-functional coordination processes in which it is not the hierarchy but the ability to enter into discourse with one another that is decisive. ⊠

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In the Age of Data, Can We Speed Up Deliberation?

The COVID-19 pandemic ushered in a new era of collaboration and flexibility. Now we must ensure the integrity of our scientific processes amid this shift.

Normally, medical treatments require lengthy development cycles and approval processes. But when COVID-19 struck our society, no one wanted to wait. Given the rate of contagion and the need for relief felt by health care systems around the world, few if any medical professionals raised objections to redesigning the authorization process to deprioritize long-term data in favor of achieving results in the shortest possible time. All of us saw how swiftly the global scientific community was able to step up: utilizing advances in technology and cooperation to create a pioneering, lightning-fast collaboration.

An industry that is usually extremely structured adjusted its processes. Researchers shared their data across borders. Regulatory bodies in Europe and the U.S. cooperated extensively with private companies. Scientists adapted their previous knowledge of earlier viruses to this new challenge.

It is, in many ways, a tremendous victory. The ability to gather, share and analyze data has reached new heights. But we must not lose sight of a key piece of the scientific process that risks being left behind amid these technologically enabled advances: The scientific community must continue fostering debate and building consensus—and it must be done in a way that keeps pace with these new, accelerated decision-making processes.

Data Isn't Enough

Why is debate so essential? Because data will always require interpretation. For centuries, the practice of science has relied on the sharing of ideas and data derived from experiments. By sharing information in a way that allows it to be fact-checked, scientists are able to build on each other's results, overcome their own limitations and participate in discovery processes on a global scale. This exchange has taken place primarily through two channels: publishing (for example in scientific reviews) and meeting (for example in professional gatherings).

It is only through this kind of interplay that scientists can hash out their differences and co-create consensus. As modern technologies and circumstances allow—and, at times, require—us to accelerate data production and analysis, we must also find ways to facilitate rapid debate. It is essential in a system as complex as the life sciences arena, especially in this new, COVID-era landscape, with its plurality of stakeholders.

Bolstering Deliberation

To maintain the integrity of the scientific community's judgment, we must match these new technological and scientific achievements with equally powerful social innovations.

Firstly, we must raise public awareness of the reality that all data requires interpretation, and that in matters of public health this vital task is the responsibility of regulatory agencies. In addition, regulatory agencies must encourage vibrant—and transparent—debate within their own ranks. Enabling the scientific community to have timely and easy access to this sort of vigorous discourse is perhaps the best way to inspire trust in accelerated and/or innovative treatments.

But the need for internal debate at these agencies is more than a matter of public relations. When circumstances change drastically (whether due to a new virus like COVID-19 or due to groundbreaking treatment models such as gene therapy), these kinds of engagement are the best way to ensure that new approval processes are safe.

The need for a renewed support for debate doesn't stop there. Whether internal-only or visible to the public, we know that every clinical study must be accompanied by a debate among experts considering the structure and parameters of the study. This is especially true when it comes to the accelerated and novel treatments we expect to see in the coming years. We would argue that the time to put these measures in place is now—before the next urgent call to action. ⊠

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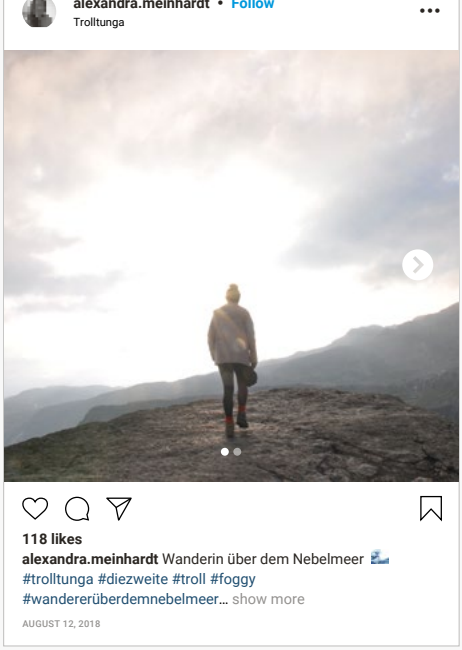
Strategic Planning for the MDS Foundation

Gaining alignment in a nonprofit patient advocacy group is not so different from working with "Big Pharma," but it has its own unique challenges.

Anna von Bismarck (AvB): In your 20 years of helping to refine strategic planning processes, you've focused on buy-in and alignment processes among cross-functional teams—primarily for pharmaceutical clients. In your recent partnership with the MDS Foundation, how different was the experience working with a nonprofit patient advocacy group?

Franz-Josef Tillmann (FJT): First of all, the number of similarities was very surprising to me. In most cases, clients come to Metaplan when there is a significant change in the marketplace. In the case of the MDS Foundation—which aids patients, families and practitioners dealing with myelodysplastic syndrome—the disruption was caused by the development of new therapeutic approaches that made patient-type classification more complex. The foundation needed to react, adapt, and broaden its approach.



Once we got to work, additional key questions emerged. We found ourselves tackling such topics as:

- how to increase awareness of the services and offerings of the MDS Foundation
- how to broaden the foundation's reach internationally
- how to increase engagement among the board members of the MDS Foundation

AvB: Those are striking similarities. Did they lead you to use the same approach to develop the MDS Foundation's strategic plan that you've adapted for pharmaceutical clients?

FJT: Yes and no. There are of course significant differences in the effort and budget that pharmaceutical companies can and want to invest in strategic planning exercises compared to a patient advocacy group. This made an adjusted approach necessary.

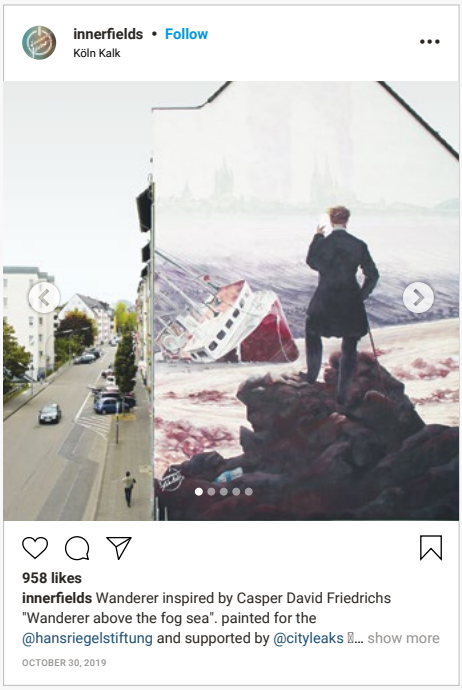
In addition, the MDS Foundation is a nonprofit organization and all board members and many other active members are volunteers who work for a variety of companies and therefore have multiple priorities.

Despite these variations, the process remained quite similar to the one we usually adopt. We used Metaplan's methodology to co-create the strategic plan and to generate co-ownership from the board members. Such an approach was particularly important for the MDS Foundation because of the need to increase the engagement of volunteer members.

AvB: Of course, circumstances are very different for a nonprofit. How did you address the limitations on participant availability and budget, and what else did you change?

FJT: We adjusted the planning effort to the basic elements, relying even more on qualitative input from the participants and less on measurable data. The process also triggered the need for more objective measures, including the identification of clear goals and KPIs.

Budget-wise, we needed to sharpen the "Metaplan pencil." After working extensively with clients dedicated to improving AML and MDS outcomes, we at Metaplan feel quite connected to the foundation's work. We decided to support the foundation with a substantial donation that significantly reduced the financial burden of the organization without compromising the quality of the strategic plan. ⊠



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NOVEMBER 19, 2020

The Dilemma of AI Innovation

Effective AI development requires a top-down approach, while vibrant innovation demands the opposite. How can companies resolve this inherent tension?

In recent years, artificial intelligence has gone from a much-touted pharmaceutical industry buzzword to an absolute prerequisite for any company with serious aspirations for the future.

Around the globe, companies are seeking to mine data for insights not easily extracted through traditional research methods. And there is good reason for this focus: With the help of AI, data from a wide variety of sources can be used to achieve more precise diagnoses, to improve the development of new substances, and even to enhance the treatment approval process. Used intelligently, AI can identify mechanisms of action from conventional patient data that could make costly approval studies unnecessary in the future.

At every level of the industry, the pressure to make AI investments reflects the promise of this still largely untapped field. Investors, employees, clients and other stakeholders expect drug firms to implement AI in their strategy.

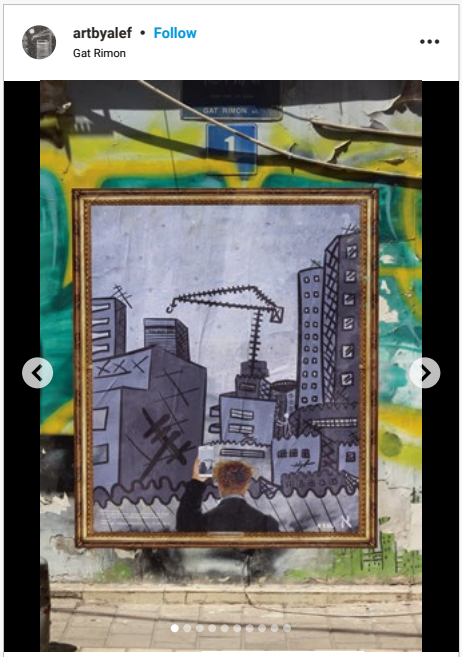
So, AI abstinence is no longer an option for pharmaceutical organizations. But company leaders must confront a problem: The best practices they have adopted to encourage widespread organizational innovation are not well-suited for the world of AI.

Opposing Forces

In any organization, effective artificial intelligence projects must draw on a massive data lake that provides the breadth of information required to power useful machine learning.

At first glance, this calls for a top-down approach that leverages the size and reach of an organization to create a data lake with a broad enough scope to power research and analytics projects in every corner of the company. Building a data lake of this size requires coordination among those gathering, inputting and utilizing the data; if different teams gather different types of information or use incompatible code, practitioners can end up with small, disconnected "data puddles" rather than a true data lake.

But when a large organization announces a centralized innovation initiative, there is much that can go wrong. These top-down initiatives tend to be bureaucratic and slow. They are also often out of touch with the real needs of stakeholders on the ground at the local level —an issue that's particularly troublesome when it comes to AI. For example, a top-down effort that relies on data gathered in the U.S. may prove useless for a company's affiliates overseas, where medical practitioners may rely on different approaches in their selection of treatment.



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While AI calls out for a centralized approach, true ongoing innovation often requires the opposite. In our innovation work with companies throughout the pharmaceutical and life sciences industry, we have found that empowering rank-and-file staffers and supporting them in their own grassroots innovation efforts is often the best way for an organization to instill true adaptability and inspire game-changing innovations.

When this approach to innovation is applied to AI, however, there are immediate roadblocks. Employees experimenting with their own AI innovations often hide these efforts from organizational leaders out of a reluctance to get bogged down in requirements, approval processes and bureaucracy. These small projects generally can't be scaled for wider use, because the underlying data, architecture or parameters of one "data puddle" is often incompatible with those being created by other teams at other locations.

In an attempt to circumvent these difficulties, some organizations seek to insource AI innovation by acquiring well-developed AI startups. The advantages in this approach are obvious: The development risk is outsourced, and the assets of the acquired companies are verifiable and assessable. However, such acquisitions inevitably encounter classic M&A drawbacks. The takeover candidates must be integrated into the core business, which entails costs and personnel losses. The activities of the acquired companies often remain marginal; true organizational transformation is limited; and it often leaves company employees eager to get involved with AI themselves feeling dissatisfied.

A Hybrid Approach

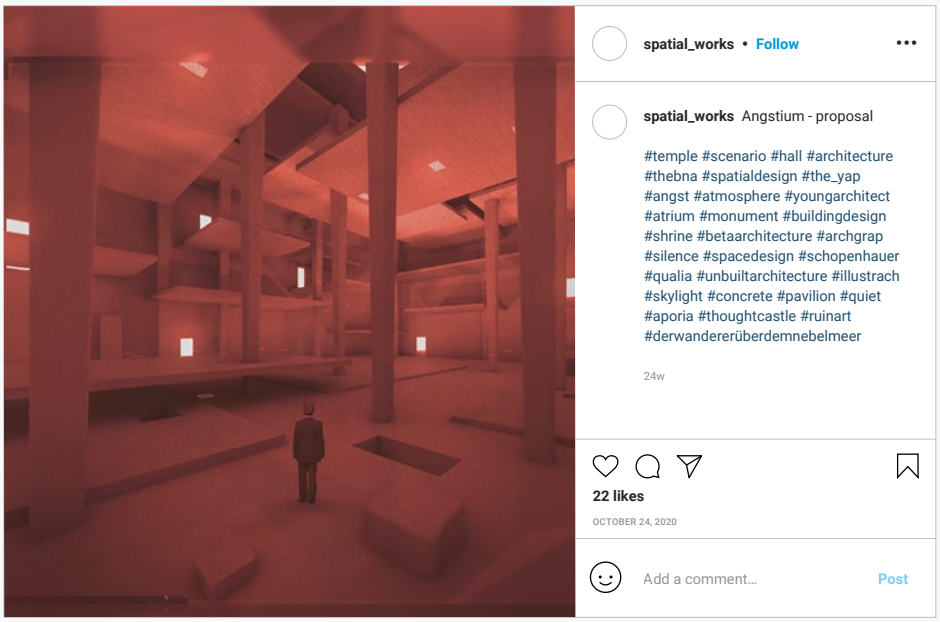
Despite the difficulties with a grassroots approach to AI, there are some upsides. When an employee detects a need and independently develops a solution, they usually are doing so with a close understanding of their regional market and its needs. These projects are usually conceived by tech-savvy experts on-site who know the local regulations, requirements and codes of ethics, who collect their data where it is relevant, and who continuously subject their concepts to a reality check.

The grassroots pioneers who create such projects often experience deep satisfaction, a sense of their own agency within the company, and a belief that they are having an impact on the business. This is a significant benefit, especially given the tight competition for skilled and innovative employees.

So how can companies support grassroots innovation while creating machine learning projects that can impact the business at scale? The answer will be different for every organization, but this is what we would suggest as a starting point:

1. Be aware of the tension between AI requirements and innovation best practices. Only through awareness can you seek out and adopt strategies that work.
2. Have a discourse about this dilemma within your organization. Spread awareness and invite discussion that could yield new ideas and solutions.
3. Let employees throughout your organization know that they don't need central approval to embark on an AI project.
4. Let them know that they are, however, expected to follow a centralized framework of technical standards. These ground rules should be easy to use and should create consistency in data gathering and architecture, so that any one "data puddle" can be connected to another.
5. Request that all AI projects offer company employees full access to their data structure. This will allow practitioners to save time by using previously established practices while also keeping their data compatible.
6. Create incentives for employees to experiment with AI within the framework that you've laid out. These incentives could include company resources, recognition in the shape of a new title, increased interaction with AI experts, professional development programs, and mentorship programs.

In summary, successful AI innovation requires wise organizational setups. ⊠



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New with Metaplan: *Sabrina Piwek* (SP) joined us in Hamburg in September, while *Melanie Blake* (MSB) started in our U.S. office 1 year pre-Covid-19.

What brought you to Metaplan?
SP: A professor in my sociology studies told me that the theories I love are practiced at Metaplan. With the focus on life sciences, I can also use my background in Biology.
MSB: The focus on life sciences felt natural, especially since I live in the Pharma-hub that is New Jersey. I was attracted to Metaplan because it tailors each project to clients' needs.
How was onboarding in times of COVID?
SP: I was lucky enough to onboard in late summer when workshops were possible, so I experienced the best of both worlds early on.
MSB: The core of Metaplan has not changed with virtual: We are still creating alignment and collective insights. But I still long for meetings.
What are your first impressions?
SP: It still takes my breath away to see how great Metaplanners are at multitasking: Visualizing and moderating at the same time is impressive. But I'm getting there!
MSB: I remember the strong contrast between the seamless experience of participating in a Metaplan workshop and learning afterward how much work goes into every aspect of it.
What are you looking forward to in the months and years to come?
SP: I am looking forward to my first facilitation of a face-to-face workshop!
MSB: I look forward to meeting some of our clients in person for the first time. And of course our international consultants meeting!

SABRINA PIWEK
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