Big Pharma vs. Small Pharma: Current Trends in the Pharmaceutical and Biotech Industries

As the director of a UK company, I have been close to the pharmaceutical and biotech jobs market throughout the many significant changes of the past few years.

Some of these changes have been fairly dramatic. The impact of the global recession on the UK's pharma industry, resulting in job cuts, redundancies and site closures for big pharma companies, had a massive effect on the industry. A flood of candidates to market led many to believe skills shortage issues should be resolved – however the skills required did not necessarily meet the specific skills that were in demand. Meanwhile, a separate story was emerging through the growth of smaller, more nimble start-up pharma companies – providing both greater competition for the big boys, and also opportunities for a better, more collaborative approach in the industry.

Current Areas of Focus for the UK Pharma Industry

To set the scene for the UK pharma industry at present, one of the key areas of focus for biotech, specifically in the UK, is the development of vaccines, such as the manufacture of the flu vaccine which is then exported throughout the world. The market for development of the vaccine is continuous as the flu virus mutates on a persistent global round-trip, meaning it is set to remain a strong area of focus for us in the UK.

Another key focus is that of innovation and vaccine improvement, both of which are driven by market dynamics. Hepatitis B and C vaccines, for instance, are very effective in some countries but are often needed in regions where the climate is quite hot. If there is no access to the correct refrigeration, the vaccine becomes ineffective, and so there is a real demand to make them more stable in warmer temperatures.

Start-ups and Market Consolidation

So what type of companies are currently working on these developments that have global reach?

As previously mentioned, the biotech and biopharma industries have seen a reduction in the dominance of ‘big pharma’ companies as the number of smaller start-up companies is increasing. I firmly believe that biotech and biopharma entrepreneurs will be a defining segment for the sector, and for biotech investment long into the future.

To counterbalance this, some large global biotechs are buying IP and pipeline research, as well as consolidating some SMEs into their businesses.

Many of these larger corporations are now moving away from traditional chemical-based development in favour of work with a biologics leaning, as they give greater focus to R&D in their quest to pioneer the ‘next big thing’ in biotech. Meanwhile outsourcing and managed service programmes are coming into their own, as companies demand certain skilled workers for a short period of time, and don’t want or need to take them on permanently. The flexibility of the pharma industry is fast improving.

What Does This Mean for Biotech / Biopharma Workers?

The growth of start-ups has two clear consequences for candidates working in this sector.

Firstly, scientists who can take a small-scale idea or solution and transfer it into large-scale manufacturing are strongly in demand – candidates with experience of both development and scale-up are highly sought after. These types of candidates tend to be found in small to medium companies, with most candidates from larger organisations specialising in a defined area. This means entrepreneurially-minded candidates are now valued highly, and these skills are often considered as significant as those gained by followers of one of the traditional graduate schemes.

In the graduate market, companies are seeking innovative scientists that can offer solutions and are prepared to work hard to deliver their ideas on a large scale.

Secondly, candidates increasingly need to show they have the ‘softer’ skills – such as communication, leadership and business sense – in order to demonstrate their innovative and creative side to the growing number of entrepreneurial start-ups. Start-ups are particularly looking for candidates that are able to work closely with their marketing or sales teams to ensure their ideas are well communicated – thereby helping them to compete with some of the bigger, more established biotech companies. They may also need to be involved in supporting funding applications so, again, communication becomes imperative.

We are therefore seeing a distinct rise in demand for candidates who can offer ‘the full package’. Workers need to be dedicated, skilled at what they do – but also they need to be able to communicate well and have a strong sense of business acumen.

In terms of the specific areas that are in demand, we are experiencing multiple requests for protein scientists, as well as bioprocess sector specialists with both downstream and upstream experience. Candidates with cell culture and assay development are also an area of demand in the UK. These are all quite specific skill sets and we increasingly have to become more creative to find and secure the right people with the right skills for each job.

Where is it Happening?

There are clusters of these smaller, start-up companies in Cambridge and Oxford. However, the north of England still remains a strong area for biotech, as both the North East and West grow into the biotech sector.

Of course, large companies’ consolidation is also leaving space for smaller companies to form and fill the gaps, with many large scientific site closures leading to these bases becoming incubators for start-ups, resulting in increased innovation. One such site is the former site in Sandwich, with another two sites in Stevenage. Previously dominated by these big pharma businesses, these sites are now being used by small start-up companies as an incubation area.

Advancing Science Careers in the Virtual Workplace

Amidst this changing backdrop for the pharma and biotech industry, the increasingly socially connected world is fundamentally changing the way pharma and biotech employees work.

The growth of online is creating a more global competitive market in the pharmaceutical sector, and this is something that employees need to embrace. Whether it’s working across time zones, using social media in a professional capacity – such as LinkedIn or sharing knowledge online to boost productivity, it is no longer acceptable or advisable to not be online. Virtual workplaces are becoming the norm, facilitated through the adoption of collaborative platforms, and will play a significant role in the sharing of scientific best practice in the not too distant future.

Individuals therefore need to enhance their IT and technical skills, to ensure they are able
Firstly, it is invaluable to stay abreast of the latest technology and emerging methods – to help their business remain competitive and to compete with other candidates in the market. As already outlined, changes in the pharma market, such as the growth of the smaller, more entrepreneurial companies, mean that the bigger organisations have to be smarter about the way they conduct their business. Having previously focused on the macro level, they are now managing projects in micro-detail – meaning the individual employee with the specific required skill set has even greater influence on each project. A pharma business’s success is now, more than ever, down to a handful of employees. Finding the right employee for the job is arguably more important than ever before.

This is why many smaller organisations are collaborating with each other, to match skill sets and work together to deliver key aspects of certain projects for larger pharma companies. This provides a faster response, and it is more efficient and saves costs for the larger company – while utilising the smaller start-up’s skills. At the same time, there is a demand for temporary and contract workers with the all-important STEM skill sets to fill certain short-term and project demands. For the individual employee there are two ways that they can take advantage of these changing trends, developing the right skills to become irreplaceable in the future.

Firstly, they can improve their networking – both in terms of social networking, to extend their contacts and open up more opportunities, and also so that they can use scientific networks to help them complete their work. By showing prospective employers that they are confident at using these networking skills, they will be very attractive to prospective employers.

Secondly, they could work closely with a specialist recruitment agency, particularly if they are seeking work on a project basis. Many agencies will assemble teams for the world’s largest scientific organisations, providing people with the opportunity to work for different companies ‘full time’ – but without having to work for one company all the time.

In our experience, pharma companies, both big and small, are interested in connected, flexible workers, who are willing to think creatively and have all the necessary skills to see them through any project. These skills need to be both technical – in terms of IT/STEM skill sets, to equip them for the online world, but equally they need to be softer skills, such as communication, necessary for creating a successful business proposition.

Impacting the Individual Businesses: A Case Study

We’ve talked about the impact of these changing trends on the individual employee, but what exactly does it mean for the pharma businesses – particularly the big pharma giants? We were approached by a world-leading pharmaceutical company who needed top talent within its contingent workforce to stay at the forefront of its marketplace, and remain competitive amidst the growing start-up environment. We were brought in to create a service that sourced candidates, reducing time-to-hire and therefore helping the business to save money.

The Challenge

The company in question has consistently been voted as one of the top workplaces and therefore has high standards, frequently looking to attract the best possible talent. Contingent workers, such as non-permanent temps and contractors are a key part of the workforce, providing support and resource during peak times, helping to deliver one-off projects and offering rare skill sets that are not necessarily required on a permanent basis.

The company is very focused on the medical and scientific research spectrum, requiring workers with key skills in the scientific, professional and engineering disciplines. Many of these workers are only required for a short amount of time – hence the company had relationships with many suppliers to source workers at a moment’s notice. As such, in 2011, they found themselves in the situation of having a supply system that was confusing for its managers, had duplication of processes, was inefficient, and ultimately was not delivering the quality of staff at the speed required.

It was therefore necessary to create a fully-integrated supply service for all contingent labour throughout the UK, improving the quality of workers, simplifying processes and improving compliance – thereby satisfying line managers and reducing direct and indirect costs.

The Outcome

To meet these challenges, we implemented a full managed service programme – something that is fast becoming popular for these larger complex businesses. Within this, we introduced some strict criteria – all prospective employees were interviewed and shortlisted by us, and we ensured only specialist recruiters were used to find the rare skill sets required for certain projects. Dedicated on-site representatives who could oversee the programme and ensure a consistently high standard were implemented in every location.

As a result, the contingent workforce grew from 280 to 500 people, indicating a serious demand for temporary workers to best fulfil their staffing requirements. The company experienced cost savings of over £0.5 million, and line managers were able to focus on project delivery – rather than focusing on hiring staff and finding the right people with specialist skill sets.

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