



From Academia to Spin-out: A New CEO's perspective

7th July 2021

Our latest webinar took place on 7 July with Piers Whitehead, Chief Executive Officer at SeromYx. He led a discussion about his experience and learnings as a first time CEO, with a focus on the challenges facing scientific staff moving from an academic to a corporate environment.

The most common type of academic spinout occurs when a biotech company picks up a technology from academia, and the relationship with the academics and their institution is contractual, perhaps with academics acting as advisors. SeromYx Systems, a spinout from the Ragon Institute of MGH, MIT and Harvard, is rather different. It was created around a core group of four academics from the institute, and became operational in December 2019. This continuity of scientists as staff was critical as the academics were the only people with the full knowledge and experience of the proprietary assays. SeromYx's CEO, Piers Whitehead, had no scientific background but brought 20 years' experience of biotech business development and dealmaking.

The list of responsibilities of the CEO of a start-up is diverse and broad, running from business strategy, cash flow management, staffing to managing projects, real estate, customers and vendors.

“In previous roles, I knew how to do my subordinate's jobs. I could give detailed 'how to' directions, or in a pinch, do the task myself. Now, I definitely cannot.”

One of the key challenges for a new CEO of a biotech is to move from a well-known environment and eco-system, where their expertise is established, to one where they need learning and experience, with different rules and problematics.

The challenge isn't just for the CEO, though. In the type of startup exemplified by SeromYx, where the core team is from a university or institution, the academic scientists can face a culture shock when they move into industry for the first time.



Answers from the expert:

“Biotech startups are inherently volatile, with sudden highs and lows: operating at the edge of what is known. The CEO needs to function as a shock absorber, modulating the volatility, so that scientific staff can focus on what needs to be done.”

Piers Whitehead, CEO, SeromYx Systems

Experiencing the cultural divide

Academia and industry can be very different environments, with different outlooks, outcomes, hierarchies and experiences. CEOs and other business leaders need to be aware of this, and also need to ensure that they understand their researchers and have an insight into why they act as they do. These cultural differences can also be dependent on the researcher's country of origin.

Within academia, information is power. This results in limited information sharing, because of actual or perceived competition, or because people compete for credit. In contrast, shared information is vital in the industry. For example, whereas information in academia may be only sent out on what is effectively a 'need to know' basis, in the industry it needs to be shared across a team to keep everyone up-to-date, even those not directly involved in the project. This can be a particular challenge where people move from being in teams that were in competition with each other in academia to being colleagues and collaborators in the industry.

Academia

- Based on knowledge and ideas
- Information is power
- Processes may be limited
- Valued by rank or knowledge
- Focus is on keeping the PI happy

Business

- Driven by the quality of execution
- Information-sharing is critical
- Rigour in quality of processes
- Valued by achievements
- Focus is on keeping the customer happy

People who have moved over from academia may be used to working with a highly hierarchical system, where the PI's character, approach, wishes and biases can have a strong influence on the team. This can mean it is difficult to get people to say what's on their mind. One solution is for the CEO to ensure that there is good two-way communication between the leadership and the team.

People from academia bring a strong work ethic, and a tremendous commitment to quality outcomes. However, people with a strong work ethic do need to be managed to ensure that they and the company remains sustainable. This can derive from a culture of 'yes' in academia.

*“I encourage
'oversharing'.”*

Bridging the gap

Biotech startups like SeromYx are reliant on their scientific researchers and supporting them through the move from academia to industry is vital for the future of the company. The CEO and other leaders need to anticipate the culture shock that the individual will experience, accept that they will bring assumptions, and manage the transition.

One of the important ways to bridge the gap is through education and knowledge sharing. This should include how the industry works, and what is going to happen to the science. It can help to have someone in the team who has worked in both academia and industry to act as an interface or trainer.

It's not always about changing the scientists' work practices and perspectives. In companies where the technology is high level and complex, customers may appreciate speaking with the scientist. And a scientific perspective can provide new angles for the business team.

“I thought I had spent a lot of time with my team - but I hadn't thought about how they felt moving from a secure job in academia to a higher-risk job in a biotech. It's important to discuss the challenge and expectations.”



Answers from the expert:

“18 months on, I realised that I underestimated the challenge of the transition for the scientific staff from an academic to a corporate environment. I was worrying about customers and infrastructure, but a better insight into the scientists' expectations and fears would have paid dividends. I'm reflecting on what could have been done differently. This includes spending time talking and getting to know each other better and changing practices to fit the teams. I have learned not to make assumptions, to listen, and to respect the difference.”

Piers Whitehead, CEO, SeromYx Systems