Merrimack Pharmaceuticals

A Story of Transformation

MERRIMACK®

Center for Creative Leadership®

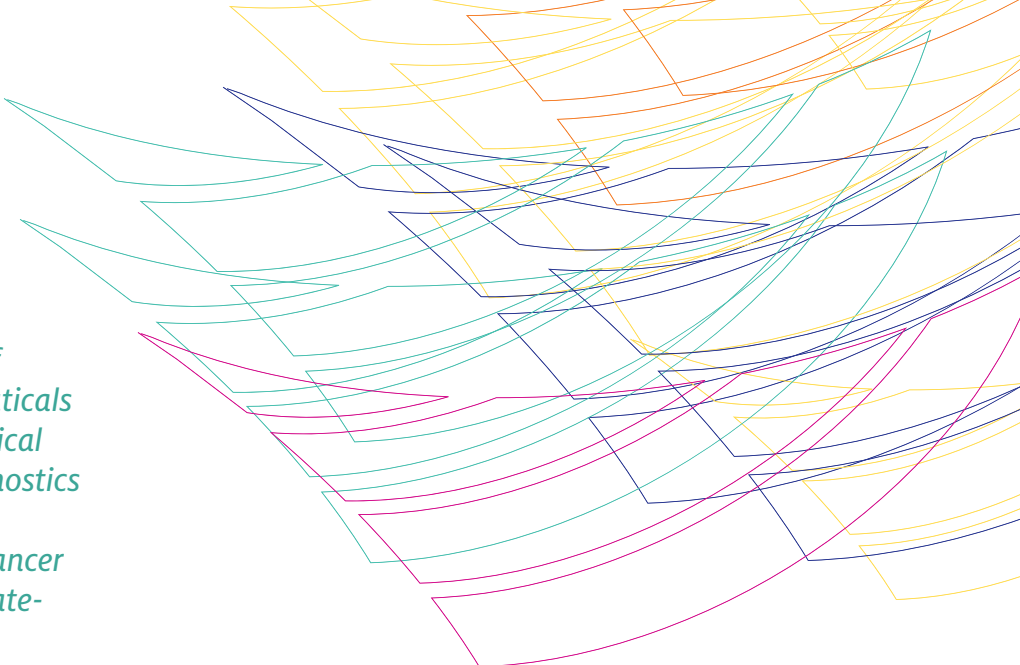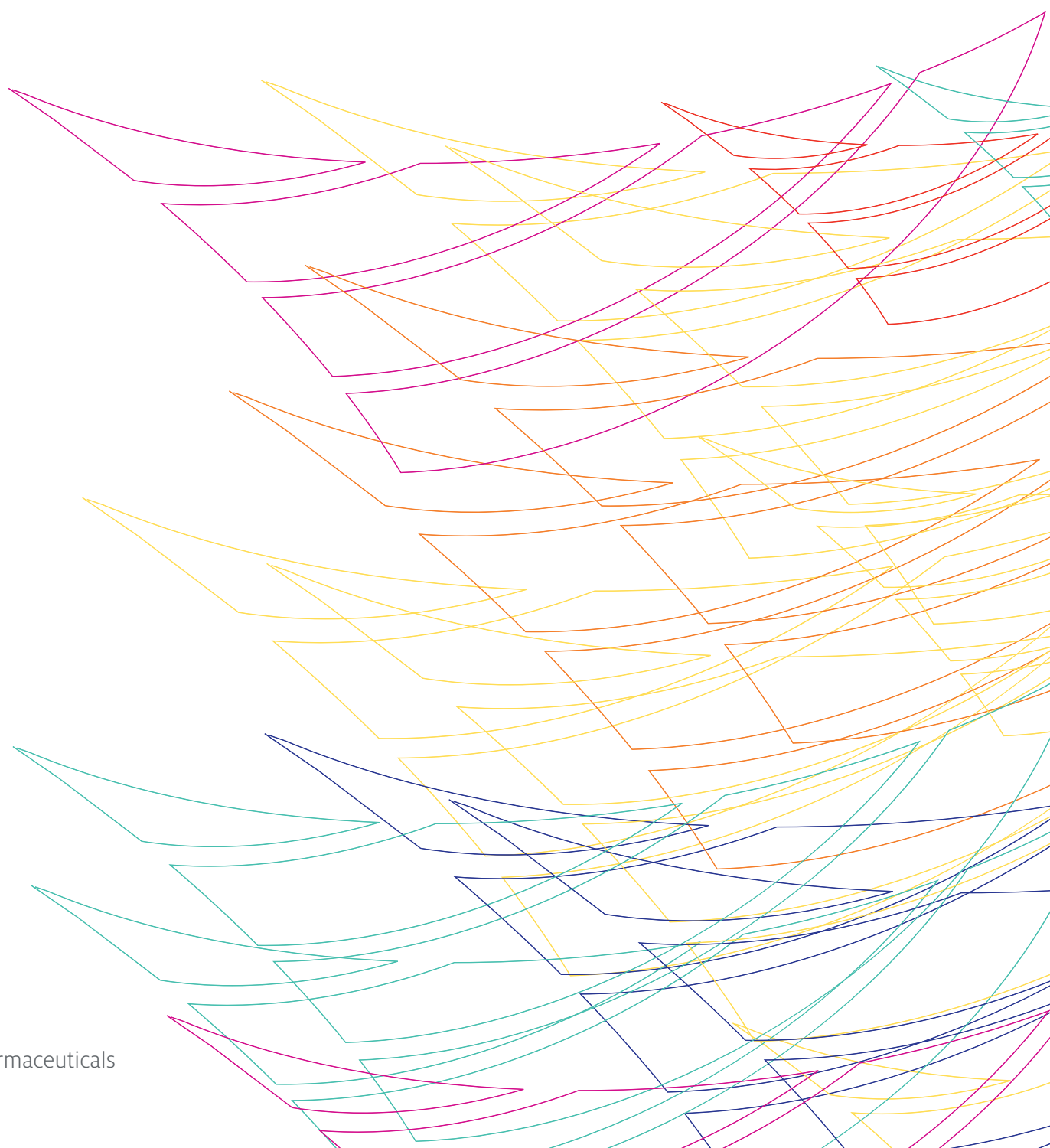Sector: Pharmaceuticals

Founded in 2000 with the mission of curing cancer, Merrimack Pharmaceuticals is a publically traded biopharmaceutical company known for innovative diagnostics and treatments. The company's 350 employees have produced multiple cancer therapies now in clinical trials or in late-stage preclinical development.

The Challenge

Merrimack Pharmaceuticals is transforming oncology research. Rather than adopt traditional time-consuming and costly trial-and-error methods, Merrimack embraced computational modeling and quantitative biology to guide the design and development of new cancer-fighting drugs. This innovative approach requires tight interdisciplinary collaboration among wet lab scientists and computational modelers who work side-by-side throughout the drug discovery process. The importance of this interdisciplinary collaboration was reflected in an organizational design featuring teams focused around each therapeutic molecule, rather than by functional departments. To allow innovation to be driven by scientists with an entrepreneurial spirit, Merrimack created the "PODs" as its early drug discovery engine. Each POD consisted of a small core team of two to three scientists initially who generate excitement for the idea. As the idea matured into a therapeutic molecule, the POD became a therapeutic team, and its size and composition changed dynamically depending on the program size and clinical development stage.

Though Merrimack has achieved considerable success with this collaborative approach, this working model has encountered challenges as the company has grown. As Merrimack's first drug approached commercial stage, another potential threat to collaboration loomed on the horizon. The company had already doubled in size—expanding its physical footprint across multiple floors of the company's Massachusetts office, making interpersonal connection more difficult and relationships more diluted. Becoming a commercial organization would mean even more rapid growth.

Merrimack's leaders felt it was an important time to understand the current state of their organization and whether they were living its collaborative vision. Were PODS connected in the way the company's founders had envisioned? Were the scientists capitalizing enough on the work of their colleagues in order to accelerate progress and leverage synergies? Did individual scientists have the right connections to advance their work? What unseen barriers might be stifling innovation as the organization continued to grow?

The Solution

With the help of the Center for Creative Leadership (CCL®), Merrimack embarked on a project to better understand connectivity and leadership within and among pods in the Discovery Division. They wanted to determine what steps might be needed to build and sustain robust collaborative networks that support innovation.

As a first step, CCL researchers explored how work happens at Merrimack and which networks among people and teams are most critical to success. They measured the density of connections within and across three important boundaries:

- Vertical boundaries among management levels
- Horizontal boundaries among work pods and other professional groups
- Geographic boundaries within and across workspaces

Three surveys were conducted over an 18-month timeframe involving about 45 co-located discovery wet lab scientists and engineers. In addition, CCL researchers interviewed more than half of the individuals in the Discovery Division to collect contextual information and to get a better grasp on how work was getting accomplished.

The results helped Merrimack fill in "the whitespace" on their organizational chart; by measuring and understanding their actual patterns of collaboration they took informed action to support and extend the company's collaborative vision.

Daily Communication Network

Each shape below represents a person and a line indicates daily communication. The color red is used to indicate people who are located on the fourth floor of the office, yellow, the second floor, and blue the mezzanine.

February 2012
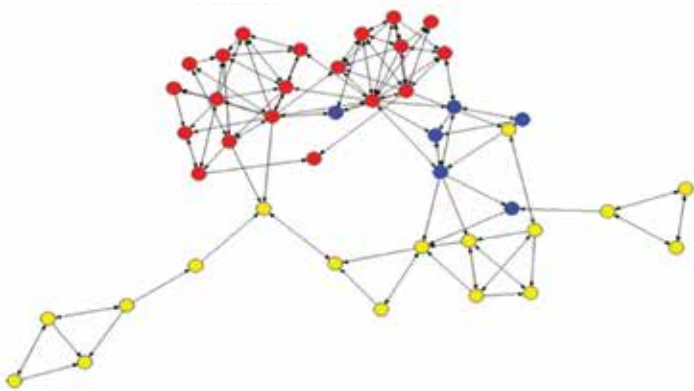
The density of the network (i.e., connectivity) was 7% before development work began. There was clear clustering in the network based on floor level as 87% of communication occurred within floors.

August 2013
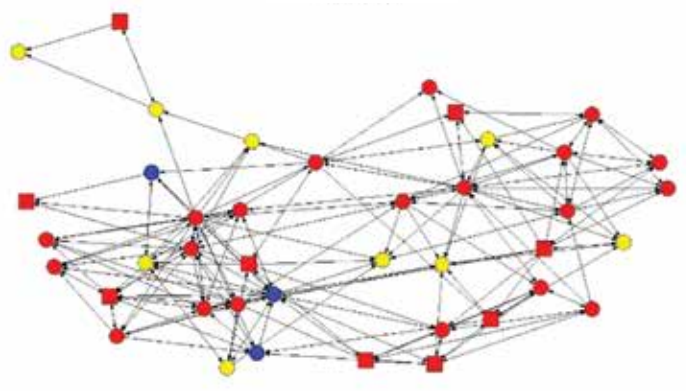
The density of the network doubled (14%) after the completion of several Boundary Spanning Leadership workshops and the relocation of Discovery Division members to the same floor.

Action 1: Removing Geographic Barriers

Although all Discovery Division scientists worked in the same building, they were spread across three floors. CCL's research showed that 87% of all day-to-day interactions were limited to workers who resided on the same floor. It was clear that a lack of physical proximity was limiting connectivity between pods.

Merrimack took action to remove this geographic barrier by clustering work pods together on the same floor. They adopted a more open floor plan (e.g., space with areas for brainstorming and lower walls to literally see more colleagues) and took steps to increase the proximity of those pods most likely to benefit from greater levels of collaboration.
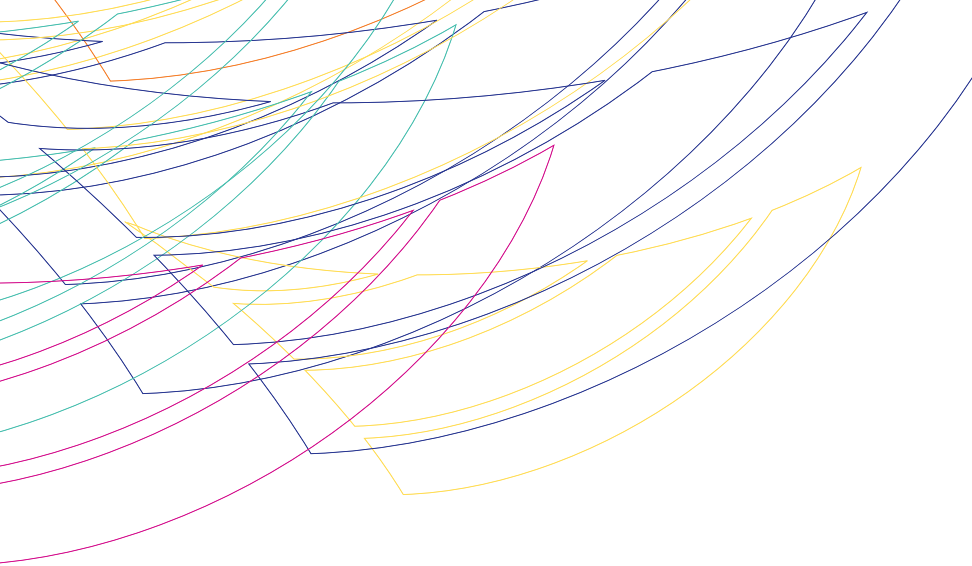
Action 2: Creating a Network Orientation

Merrimack felt it was important for all members of the Discovery Division to understand the data CCL uncovered on how work gets accomplished. They wanted to create a paradigm shift so scientists would see and understand social networks in their workplace and how they use their networks more effectively.

CCL and Merrimack designed three interactive workshops that were delivered over a 14-month timeframe. The sessions were grounded in CCL's boundary-spanning leadership model, which is designed to create direction, alignment, and commitment in service of a higher vision or goal.

Workshop participants walked away with an understanding of the company's current network connections and how to work strategically across barriers to support innovation.

Merrimack employees meet in a collaborative space within their open concept office, which allows people to easily join and contribute to meetings.
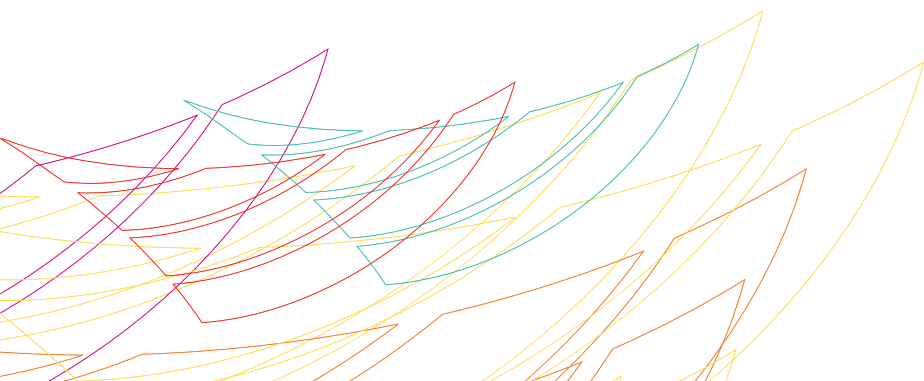
The Results

The network analysis and actions Merrimack has taken are making a clear and tangible impact.

There are more collaborative interactions.

The data collected show a significant increase in interactions among individuals and pods since Merrimack relocated development pods for proximity and adopted a more open floor plan. Though some scientists do miss their former privacy, most have responded positively.

As one survey respondent stated, "It helped me a lot, this open floor structure. I can hear and overhear projects or discussions, and I don't hesitate to jump in if I hear something interesting."

In addition, scientists cite improvements in collaboration that they attribute to the workshops they attended. "I think there are a lot of positive changes," one associate said. "People [have] started thinking more about communications. I think teams are more integrated . . . It was more like silos between teams, and right now teams are talking to each other."

Leadership roles are more broadly distributed.

Scientists now have a clear understanding of their own role as leaders in company networks—outside of traditional leadership hierarchies. This new concept of leadership has opened nontraditional opportunities for career development. Formal leaders have stepped out of the daily fray to spend more time on strategic issues, which provides more opportunities for other scientists to step in and contribute in a leadership role. They can be not only individual contributors, but can also become central connectors within their pod or intergroup boundary spanners who establish new network connections.

"I think it [the workshops] started a mental shift in people, what leadership means and what a network organization is," one survey respondent said. "Leadership isn't necessarily only that you're the pod leader or you're the team leader, but that you can lead in different ways."
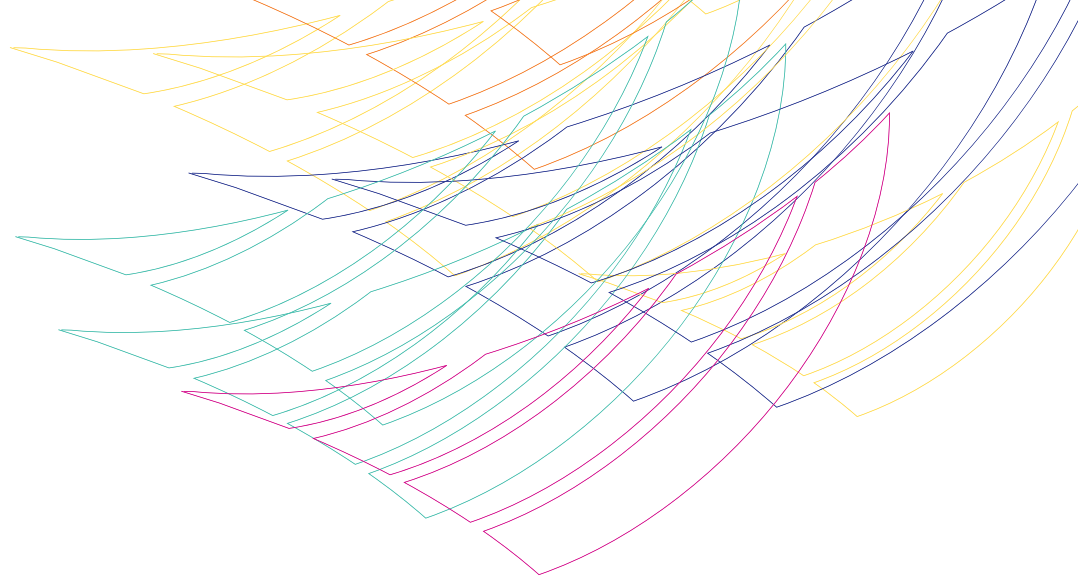
Network awareness has increased.

Scientists have developed a network perspective and have learned how to apply it to their work. "When you have a question, when you're stuck on something, that's where the network really comes in," one associate said. "It's not the person that you talk to every single day, because odds are you have fairly similar interests, but it's the other people you can go to when you're stuck that can really help."

Job effectiveness is improving.

As scientists take the initiative to foster network ties, their effectiveness has risen. One proof point: CCL's analysis suggests that the increase in collaborative connections in this context is linked to higher job performance ratings.

There is a renewed emphasis on shared culture.

Merrimack's collaborative culture has been fundamental to its success. As one associate described it, "Merrimack has a pretty open culture. You don't have to be invited to a meeting to attend it. And we have our meetings here in the hallway so, if there's a meeting happening, and I see something interesting on the slides, I can just stop by or just look at the slides."

To maintain that sense of openness and inclusion in the face of expansion, the company has doubled-down on efforts to protect and extend its collaborative culture. One important step is to incorporate cultural considerations into the hiring process. An applicant's network building and collaborative activities are discussed alongside other critical job qualifications as part of each job interview.
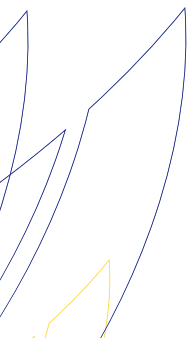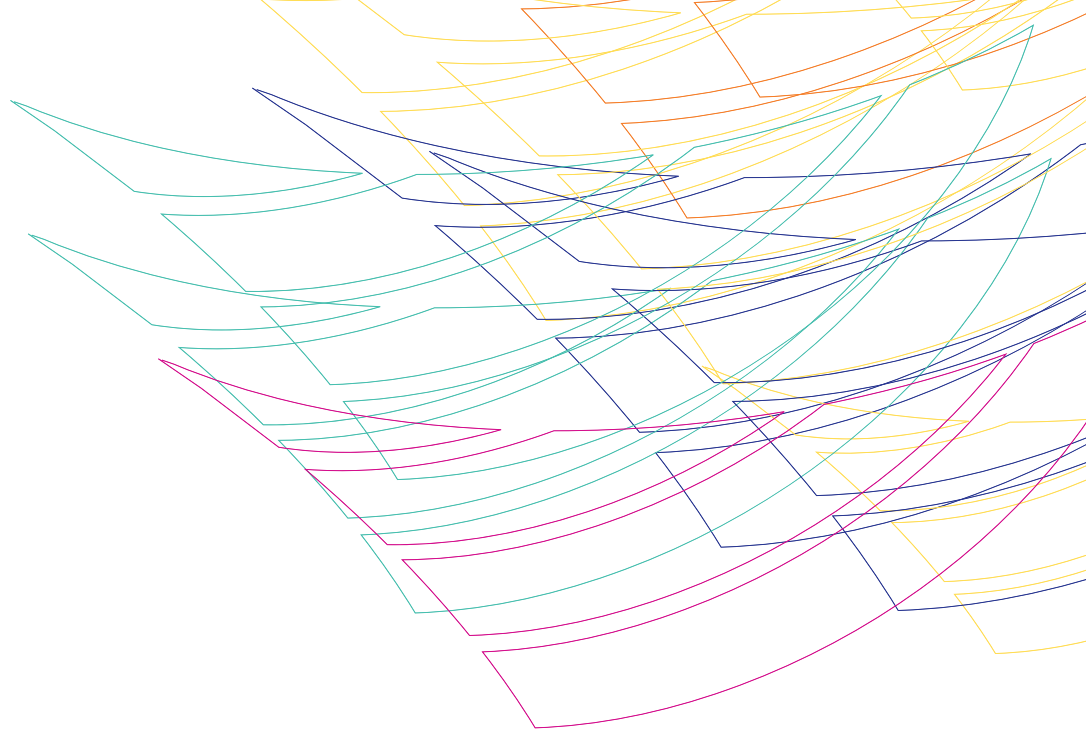
## Ongoing challenges are proactively identified and addressed.

For all of its benefits, Merrimack's dynamic and collaborative structure comes with its own unique challenges. Reporting relationships are sometimes unclear. The structure and size of pods and the areas of expertise represented may not always be ideal. Some scientists may find it stressful to interact continuously throughout the workday, while others struggle to determine where to plug in and leverage points of synergy.

Merrimack continues to focus on ways to overcome these and other challenges by building on their successes to date and on their shared understanding of the network and culture they want to build and sustain.

Some approaches are simple. Advertising meeting agendas ahead of time allows people to plug in more easily with other pods and experts. New "fan groups" in which colleagues indicate their interest in following the process a pod is making make it easier for scientists to follow projects that are synergistic with their work.

Other approaches are longer term and require an allocation of company resources. One example: Merrimack continues to invest in leadership development training to promote the well-being of its scientists and to help them work effectively within the company's collaborative culture.

Merrimack Pharmaceuticals has used the data about their network to take informed actions in service of their mission. They are breaking down barriers, building a collaborative culture and positioning themselves for both current and future success.
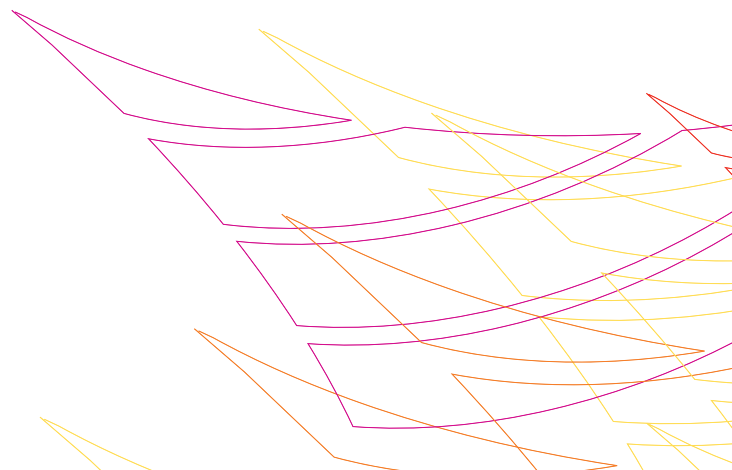
Six Lessons Learned

Here are six important lessons from Merrimack's journey that can help your company build networks and promote innovation.

1. **Establish a vision and strategy.** Start with an end goal in mind and a philosophy about how you will cultivate the leadership needed to get there.

2. **Measure first** to understand your starting point and the gaps to be addressed.

3. **Remove barriers** that impede collaboration. Evaluate potential changes to your physical layout, the ways you share information—and more.

4. **Foster shared direction, alignment, and commitment** so that you can build and maintain a culture that supports your strategy.

5. **Guard against insularity** at the individual, team, and organizational level. Encourage diverse perspectives and idea sharing.

6. **Apply a network lens** to leadership development. Help individuals understand how to lead across boundaries and use collaborative networks to become more effective.
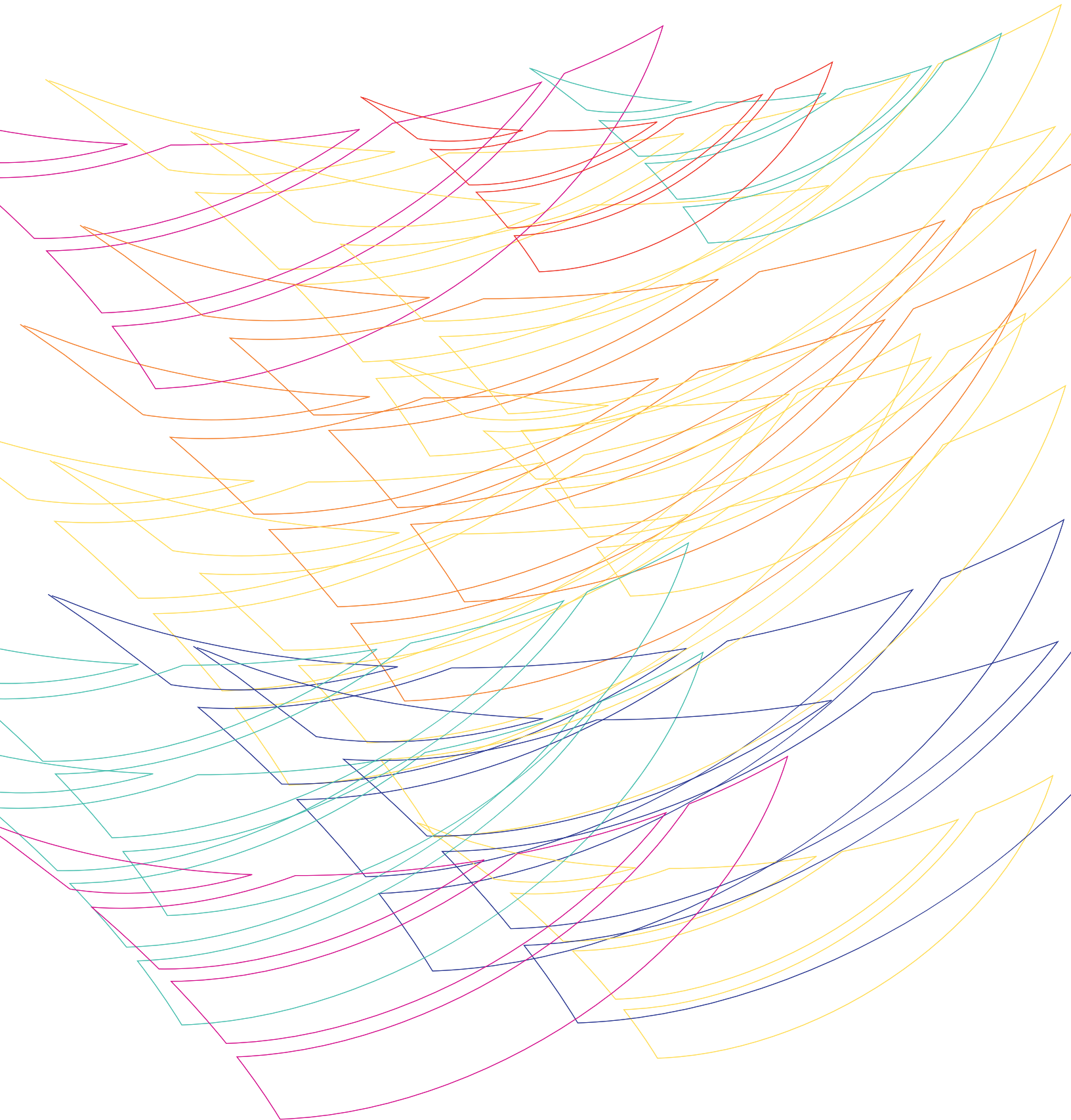
About the Authors

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Donna Chrobot-Mason, PhD, is as an associate professor and director of the Center for Organizational Leadership at the University of Cincinnati (UC). Donna holds a PhD and master's degree in Applied Psychology from the University of Georgia and is an adjunct research scholar and trainer at CCL. Donna teaches graduate courses for the master of human resources program at UC as well as undergraduate courses in Organizational Leadership. She is also a senior partner for RCSN, an executive recruiting and leadership consulting firm. Her focus is on leadership across differences and strategies for creating organizational practices, policies, and a climate that support diversity and foster intergroup collaboration.

The Center for Creative Leadership (CCL®) is a top-ranked, global provider of leadership development. By leveraging the power of leadership to drive results that matter most to clients, CCL transforms individual leaders, teams, organizations and society. Our array of cutting-edge solutions is steeped in extensive research and experience gained from working with hundreds of thousands of leaders at all levels. Ranked among the world's Top 5 providers of executive education by the *Financial Times* and in the Top 10 by *Bloomberg Businessweek*, CCL has offices in Greensboro, NC; Colorado Springs, CO; San Diego, CA; Brussels, Belgium; Moscow, Russia; Addis Ababa, Ethiopia; Johannesburg, South Africa; Singapore; Gurgaon, India; and Shanghai, China.

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