

Life Science Leader

Topic: Hiring Trends 2012

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Biopharma Hiring Trends in the Right Direction:

Inability to Hire and Retain Production Staff an Ongoing Problem

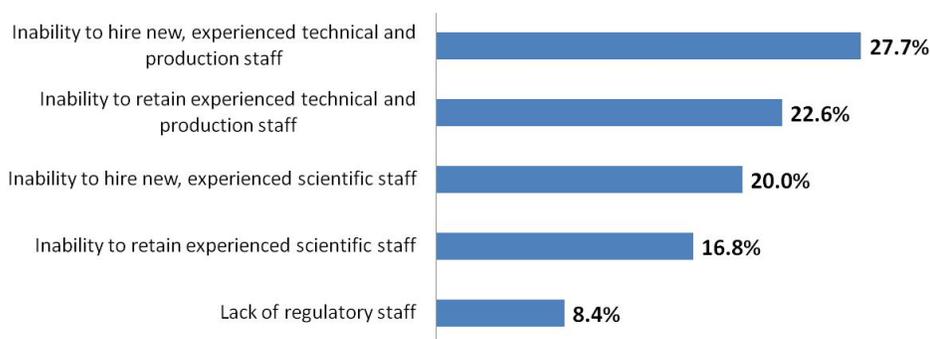
Over a quarter of global biomanufacturers are having problems hiring and retaining their production staff. Data from our newly released *9th Annual Report and Survey of Biopharmaceutical Manufacturers* indicates that the industry is experiencing hiring difficulties, but is now willing to invest in staffing and training to fix the problems. For example, the 302 global biotherapeutic developers and CMOs we surveyed said that on average they would spend 2.6% more on hiring new operations staff, and 2% more on hiring new scientific staff this year.[1] Although these are both decreases from last year, they represent a sea-change from 2009 and 2010, when hiring budgets were mostly expected to *decrease* (by more than 3% in one instance). Indeed, although these are lower budget forecasts when compared to last year, current budgets may be simply seeing some natural corrections or leveling-off after the generally larger increases last year. Clearly, though, with hiring budgets looking up for the second year running, the industry has rebounded from a more difficult economic time.

Behind this predicted budget growth is a recognition that the right employees are critical on the operational end. Indeed, this year, when we asked survey respondents their top operational changes for 2012, one-third (including an impressive 51.9% of CMOs) said they would increase their number of production operation employees, up from 26% just two years ago. By comparison, just one-quarter said that they would cut hiring at their facility.

If the right employees can boost production operations and efficiency, then the lack of key staff can have the opposite effect. When respondents were asked which factors are likely to create biopharmaceutical production capacity constraints at their facility in 5 years, the top reason, cited by 27.7% of respondents, was “inability to hire new, experienced technical and production staff”. The inability to retain this staff was noted by 22.6%. Recent contamination events in the industry have highlighted the need for hiring and retaining experienced scientific staff that have experience in cell culture and purification as well as operating technologies like pasteurization and disposables.

Fig. 1: Selected Hiring-Related Factors Creating Future Capacity Constraints

**Factors likely to create bio production capacity constraints
in 5 years (by 2017)?**



Source: 9th Annual Report and Survey, Biopharmaceutical Manufacturing and Capacity, www.BioPlanAsociates.com, April 2012

DATA FOR YOUR GRAPHICS PEOPLE	Year 2012
Inability to hire new, experienced technical and production staff	27.7%
Inability to retain experienced technical and production staff	22.6%
Inability to hire new, experienced scientific staff	20.0%
Inability to retain experienced scientific staff	16.8%
Lack of regulatory staff	8.4%

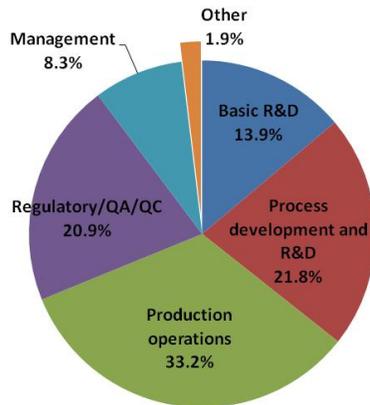
Bulk of New Hires to be Process and Production-Oriented

The continued growth and importance of manufacturing sites for biopharmaceutical production means that more process development is being done, relative to basic research. As in prior years, R&D staff are continuing to experience cuts, and some are moving more toward applied research, manufacturing operations or process development. This can be a difficult transition for some scientists. To meet industry needs, more importance will need to be placed on transitioning research-oriented staff to the needs of companies producing biologics.

This pattern is evident when we look at the data on where respondents expect new staff to be hired this year: According to our survey results, one-third of new staff will be hired in production operations, while 21.8% will be hired for process development and R&D. By contrast, basic R&D will account for just 13.9% of new hires, down from 18.5% a year ago. Production and process will continue to be the areas of focus for years to come, too: when asked where the new staff will be hired in production facilities in 5 years, 33.9% said in production operations, and 22.8% said in process development and R&D, compared to just 16.2% for basic R&D. Regulatory hiring, which jumped to 20.9% of predicted hires this year, will fall back to 15.7% by 2017, according to our respondents.

Fig. 2: New Hires in Biopharmaceutical Manufacturing (2017)

**Where Will the New Staff be Hired in Biopharmaceutical
Production Facilities?
% Hires in 2012**



Source: 9th Annual Report and Survey, Biopharmaceutical Manufacturing and Capacity, www.BioPlanAssociates.com, April 2012

Basic R&D	13.9%
Process development and R&D	21.8%
Production operations	33.2%
Regulatory/QA/QC	20.9%
Management	8.3%
Other	1.9%

Process Development Professionals Most in Demand

We also surveyed where hiring will take place in 2017. Although production and process professionals are slated to account for almost 3 in 5 hires over the next 5 years, that doesn't mean they are easy to find. Indeed, while there has been a steadily increasing demand for scientists with operations and process engineering backgrounds, there has not been an increase in the number of scientists moving into these fields. Separately in the study, when we asked respondents which job positions at their facility they are currently finding it difficult to fill, hiring of process development professionals was the most commonly-cited area. This was especially for the case for upstream process development.

The Data Paints a Mixed Picture

In many ways, the results from this year's survey shows a bright hiring future. Budgets for hiring are clearly up, and biomanufacturers and CMOs alike are recognizing the productivity and efficiency benefits of hiring employees with the right skills. And yet, while it is not surprising to see that the top three most-difficult-to-fill positions involve process improvement and engineering specialists, it is discouraging that no major changes appear to be occurring to fill these vacancies. The way these skilled employees are being produced is often through internal training, which leads to 'poaching' from one company to another. In order to break this cycle, stronger relationships between employers and leading universities will have to be forged.

References:

1. 9th Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production: A Survey of Biotherapeutic Developers and Contract Manufacturing Organizations, BioPlan Associates. www.bioplanassociates.com



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Survey Methodology: The 2012 Ninth Annual Report and Survey of Biopharmaceutical Manufacturing Capacity and Production in the series of annual evaluations by BioPlan Associates, Inc. yields a composite view and trend analysis from 325 responsible individuals at biopharmaceutical manufacturers and contract manufacturing organizations (CMOs) in 30 countries. The methodology also included over 150 direct suppliers of materials, services and equipment to this industry. This year's survey covers such issues as: new product needs, facility budget changes, current capacity, future capacity constraints, expansions, use of disposables, trends and budgets in disposables, trends in downstream purification, quality management and control, hiring issues, and employment. The quantitative trend analysis provides details and comparisons of production by biotherapeutic developers and CMOs. It also evaluates trends over time, and assesses differences in the world's major markets in the U.S. and Europe.

NOTE: IMPORTANT TO INCLUDE THIS SO READERS UNDERSTAND HOW THE STUDY WAS CONDUCTED