

The Doctor is “In”

A New Era for CMOs in
HealthTech



Renowned digital-health leader Dr. Amy Abernethy and Russell Reynolds Associates' Noël Auguston discuss why the CMO is such a vital role for HealthTech firms today.

The Chief Medical Officer (CMO) is arguably one of the hottest roles in HealthTech right now. Amid a wild funding microenvironment and prolific company-creation landscape, it has never been more important to find leaders who can help you craft, build and scale a compelling patient-centric offer.

Yet the right CMO can often feel like an elusive unicorn. In our conversations with HealthTech executives—from seed stage to public companies—we are often asked a host of questions. When in my lifecycle do I need a CMO? What is the difference between a good CMO and a great one? Which capabilities should we look for? Which career experiences are most relevant? How can we help an incoming CMO thrive? And how do we measure success?

Together with Dr. Amy Abernethy, the president of Clinical Studies Platforms at Verily Life Sciences, we unpack some of the key factors companies need to think about when considering a CMO role. Abernethy is a renowned digital-health leader, health-data expert and oncologist who brings unique insights on how organizations can best assimilate new CMOs and unleash their true potential. She lived the role of the CMO during her time at Flatiron and most recently at the FDA, and she frequently mentors and coaches CMOs, CEOs, boards and investors around this critical role.

Here, we present three discussions:

1

How to think about CMO archetypes relative to your company's needs.

2

When to hire a CMO.

3

How to best transition new hires and set them up for success.

What to look for in your next CMO



Given the frenetic talent landscape, it is important to start with some basic exploration questions. **"It can often take a little while for the CEO or even the VC to get their head around what it is they're really looking for,"** says Abernethy. **"And it's hard to find a CMO who is good at everything; you're going to need to prioritize. So, the CEO and board really need to be asking themselves: What kind of medical leader do we need? What problem are we trying to solve with this hire? Do we, for example, need a leader who can continue our existing trajectory, or expand and scale? And what are the risks if we do not properly understand this role? It's really important to put some brain space towards that so that you can start your search in the most effective way."**

Beyond this, it is important to be mindful of two market dynamics at play. First, demand is growing for CMO roles. We see early-stage and mature-stage companies across the full healthcare ecosystem creating and hiring CMOs. And as HealthTech companies continue to differentiate, so do their needs for a CMO.

Second, the role of the CMO has dramatically changed in the past five years. Gone are the days when CMOs were largely ornamental positions, filled by semiretired physicians. Today's CMOs are strategic business partners who manage the growing and diversified needs of the organization—everything from sales and product development to regulations and brand development.

Some of the most sought-after skills for CMOs today are remarkable leadership capabilities. As a strategic addition to the top team, CMOs need the vision to imagine a better healthcare ecosystem as well as the ability to execute and bring others along on their journey. Disruptive thinkers, networkers and "tinkers" are in huge demand—the types of leaders who are hungry to test ideas and iterate to solve problems or make seemingly disparate systems fit together. **"Part of it comes from being almost relentlessly optimistic,"** says Abernethy. **"It's being the person who doesn't say, 'The world is falling apart or broken,' but rather, 'Here's where we are and, man oh man, it can be better.'"**

We examined the different CMO archetypes that are relevant to all companies at all stages of growth. These archetypes do not aim to box in individuals. While most CMOs fit into one category, some may cover two. In rare situations, someone may span three or more—but these leaders typically start their own company.



Sales enabler: Possesses a deep external network and can talk to leaders in other disciplines in the right language to facilitate product sales. They help explain the value proposition to a customer in medical terms to ensure a proper fit.



Internal communicator: Acts as a medical translator for the company. Shares clinical insights with engineering and product teams to help them understand how doctors think, so they can create a vision for new products and services that meet the company's goals.



External communicator: Possesses a more outward personality and is comfortable presenting information or medical concepts to partners and at conferences. These CMOs can help increase brand recognition and serve as an essential part of company outreach.



Scientific leader: Has a clinical research understanding, experience in clinical trials/data or drug development. These CMOs tend to eventually become CEOs, especially those working at the intersection of data, clinical trials and life sciences.



Regulatory policy expert: Acts as a liaison with regulatory agencies and keeps one step ahead of policy changes. These CMOs understand the nuances of working with governance organizations, both domestically and internationally—and are able to flex their approach accordingly.



A leader of leaders: Includes parts of all archetypes and acts as a leader of people, similar to a divisional president. These CMOs tend to have more management-driven backgrounds and are accustomed to working with larger teams toward a specific goal.

If organizations—both early and scaled—fail to iterate and discuss the nature of their CMO need internally with investors and the board, they risk misalignment and missed market opportunity.

To sidestep these challenges, you must first define which part of the HealthTech ecosystem you are focusing on—whether that is digital therapeutics, healthcare delivery, virtual care, clinical data or something else. Second, keep a laser focus on your strategic goals and the role you expect the CMO to play in reaching them. Third, define which of the six archetypes will best help you reach your company's objectives. Never expect your CMO to span more than two archetypes. One CMO cannot do it all.

Where to look for your next CMO

Ideally, your CMO will come from another HealthTech company. But given so many companies are at similar stage in their growth trajectory, it can be hard to find the “been there, done that” leaders who have already successfully scaled or achieved the exact objectives you are looking to meet.

Notably, experienced CMOs can often be found in other areas of the broader healthcare ecosystem, including value-based care or new primary-care models, clinical data-focused organizations, clinical trials and precision medicine/genomics, as well as digital health. While there is no panacea for success, certain career backgrounds stand out in our experience.

Anesthetists, neuroradiologists and neurosurgeons work in positions that combine engineering and medicine, and often possess the spatial thinking and data analysis skills that can translate well in the CMO role. At the same time, the hierarchical nature of these professions may be cumbersome. Oncologists have great experience in basic science, precision medicine and clinical research but may have less experience in population health and preventative care. Cardiologists sometimes lack creativity in basic sciences but differentiate themselves in clinical evidence generation. Psychologists and psychiatrists also have skills that resonate well. They work in a narrative-driven field but can often transfer that skillset into a more structured setup. That being said, these are all generalities; cross-check the needs of the role with the features of the individual clinician leader.

Every incoming CMO will have blind spots; no one will get every facet 100 percent right at the start. Mentoring and training is an important way to assimilate new hires. Taking time to align the physician skillset to the trajectory of the company is also crucial to long-term fit. **“One of the important things to think through in the recruitment phase is where physicians sit on the comfort scale with execution,”** says Abernethy. **“Because lots of roles in medicine come with a ton of other people doing the work, right? You need to understand whether the CMO is going to be able to roll up his or her sleeves and, you know, write the product documents as opposed to tell somebody else to write the product document. You need to be testing that out in your interview phase.”**

Academia is another area that provides a good pipeline of potential CMO candidates. It often makes sense to find someone in the middle of their career who not only succeeds in academia but is also hungry to solve problems in other fields. Often these individuals will work with industry or nonprofit partners outside of their research and use their expertise to find solutions to real-world issues. They are tenacious and willing to go the extra mile. Yet they sometimes lack management muscle. If your CMO comes from academia, onboarding is critical to move them into a team/collaborative work setting.



Pitfalls and the Road to Success

Selecting the right CMO is one thing, and setting them up for success is quite another. Many CMOs enter HealthTech firms from the medical world with limited corporate experience; CEOs cannot overlook the need to create the right conditions for incoming hires to thrive. This is even more critical in a hybrid work model.

“There’s a big cultural difference between medicine and HealthTech,” says Abernethy. **“In medicine, things are pretty static; your job doesn’t really change unless you get promoted or there’s a new insurance paradigm. In a HealthTech company, the change is constant. So, when you’re signing a CMO up, you really need to help him or her understand what the pace of change might feel like.”**

A critical starting point is to define exactly what the CMO must accomplish. Goals must be realistic and precise and reflect strategic importance. Both parties need to agree on these outcomes as this helps set early expectations. Abernethy cautions companies to not overlook the breadth of what a CMO can bring to the table. **“HealthTech companies can often focus so much on the CMO’s medical expertise that they forget that this person is even on the senior leadership team,”** she says. **“But the CMO is thinking: ‘I’m used to being at the top of the pyramid in my previous organizations.’ And they can’t quite reconcile the way that they’re used to thinking of themselves within a healthcare organization with the way they’re being thought of in an operating role. They become very confused by their stature and their role in the company. Figuring out everyone’s expectations at the start will save a ton of pain further down the line.”**

Take time to think about the appropriate reporting structure. It can be useful for CMOs to have regular touchpoints with the CEO to track progress and work through potential challenges. Strong on-ramps to support new and first-time CMOs are critical to ensuring their work fits directly into larger company efforts. At the same time, CMOs must also understand who their partners are across the senior leadership team as well as the wider organization—and be given the time and space to forge successful working relationships. This also applies externally. Building strong peer-to-peer partnerships is an important way for CMOs to avoid the trap of siloed thinking and help accelerate growth in the HealthTech sector overall.

It is also important to identify the areas a CMO may need additional help. If a CMO excels in one area, but falls short in others, it makes sense to hire complementary roles to fill those gaps. For example, a CMO may have tremendous knowledge of product development but not understand the associated regulatory hurdles they need to overcome to bring new products to market. In this case, hiring an additional governance expert would be key. If it is not possible to hire complementary roles, companies must be confident that the incoming CMO can upskill in the areas they lack. Considering the individual's entrepreneurial attitude and willingness to learn during the interview stage is key. Beyond this, mentorship and training are useful tools to help these CMOs get up to speed. But, as Abernethy points out, it may take the incoming hire some time to leverage coaching and feedback in an operational setting.

“In the medical world, you may meet with your mentor once a month or once a quarter for an hour or two hours, and it's kind of a formal thing,” says Abernethy. **“But in HealthTech there's a ton of rapid changes that are happening. Mentoring is much more about rapid-fire, frequent interactions with the person who is your confidant or coach—oftentimes 15-minute interactions. You can get a ton done in bitesize snaps. That's something that the new CMO needs to learn how to leverage.”**

Ultimately, today's HealthTech companies face new and unique challenges. Finding a CMO who embodies the relevant archetype(s) and creating the right on-ramp plan will be critical to driving significant growth and innovation across the HealthTech sector. As CEO, make sure you relentlessly interrogate the “why” around your CMO need and gain the right buy-in across investors, the team and board. Don't wait for these roles; be deliberate and decisive around this important talent pool. The right CMO will help you build an impressive HealthTech firm fit for the future.



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About Russell Reynolds Associates

Russell Reynolds Associates is a global leadership advisory and search firm. Our 470+ consultants in 47 offices work with public, private and nonprofit organizations across all industries and regions. We help our clients build teams of transformational leaders who can meet today's challenges and anticipate the digital, economic and political trends that are reshaping the global business environment. From helping boards with their structure, culture and effectiveness to identifying, assessing and defining the best leadership for organizations, our teams bring their decades of expertise to help clients address their most complex leadership issues. We exist to improve the way the world is led.

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