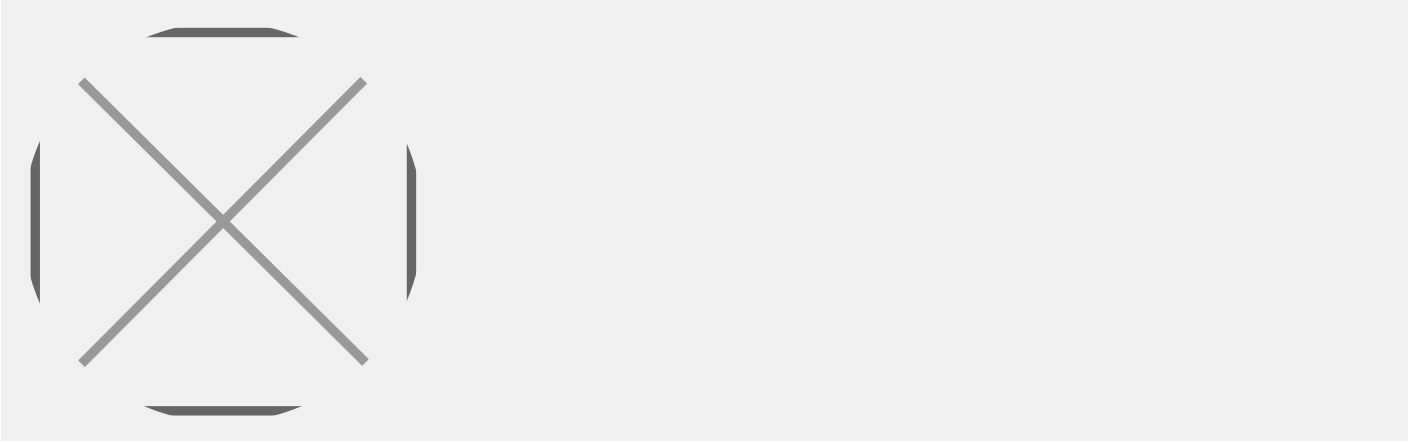
Interview with Carlos Apellaniz, Healthcare Partner, Korn/Ferry Mexico



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You have been working as a senior manager in the healthcare industry for many years before coming to Korn/Ferry. In your words, what have been the most drastic changes that the industry has seen over the last five years?

In Mexico, the effects of the patent cliff have been enhanced by a series of changes in regulation and market dynamics – and the Mexican market has been changing much faster than other markets. Among the changes we have seen: physicians' offices in pharmacies, a higher availability of information for the patient, a wide array of medication options with generics and interchangeable drugs, and the appearance of new industry players with the suppression of the plant requirement. Overall, this new commercial framework is creating a new mindset in Mexico, and opportunities have to be grasped faster than before, but unfortunately, the appropriate talent is also more difficult to obtain.

When you are looking for the ideal General Manager to address these changes inside a pharmaceutical company, what qualities are you looking for?

An individual must have the ability to capture the changes and capitalize new opportunities. This ability is defined as "learning agility". This individual must understand the underlying dynamics of the market to be able to grasp tomorrow's changes and take advantage of them in an appropriate way. Differentiating new trends and understanding how the market works now and how will it work tomorrow is necessary to have an advantage over the competition.
You need to separate two different angles in the profiles: the expert and the creative/innovative

individuals. The experts are capable of grasping the market by analyzing past factors and defining the stakeholders – yet that is not necessarily enough in the current changing dynamics. On the other side, the creative ones are highly innovative, but do not necessarily understand the new trends in time in a pragmatic way.
The ideal individual must be balanced between the expert person and the creative mind, in order to have the ability to learn and deliver results in both a short and long term, while adapting to the new circumstances.

Do you see a gap in the market between what companies are looking for in terms of General Managers and what the market has to offer?

We could look at candidates from different perspectives. In the primary approach, we might have individuals that tend to reproduce the status quo relying on past trends and experiences. They might not be in a good shape to face the necessary change. On the other hand, there are other individuals who are close to stepping up in a business unit direction. These individuals could even have been trained within the old practices and framework and don't always have the necessary creativity and learning agility to face the current challenges of the business.
Finally, there is another group of individuals where I believe the real talent is. These individuals are influenced by various cultures and have worked under very different environments. Since they have experienced working under many different circumstances, and have probably lived in different countries, they are much better prepared to understand change and apply adequate models to the situations they are facing. These individuals are extremely smart, agile learners and usually qualified as "high potential" people for their employers – and sometimes have little incentive to leave their career path at this stage.
For these reasons, nowadays there is a higher demand for real talent than real offer.

What kind of services does Korn/Ferry give to pharmaceutical companies looking for talent? How do you insure they receive the best service?

We differentiate from other firms in many aspects. First, our firm is recognized for having a well-developed and specialized search network. Since we are a global company, we are capable of reaching different markets and places and our experience has been recognized for the past 40 years thanks to a large network of dedicated consultants around the world.
Moreover, we are highly specialized in the industry both vertically and horizontally. For instance, we have as part of our team experts from the industry and executives who have been in these roles, and therefore, people who are capable of finding key individuals with a very specific set of competences. Our global scope allows us to fulfill this specialization, and our market share penetration allows us to maintain this kind of infrastructure.
Our second differentiation point is that we have a set of tools that allows us to go further into the art

of interviewing and profiling, by having data and databases on individuals that we present to our clients. We have very specific, customized assessments that measure competence, behavior, and leadership skills that we can appraise when we interview individuals. For the search side, we have an extensive variety of services that cover the middle management as well as the “C” suites positions. Finally, we have developed a whole new range of services in leadership and talents consulting that allow us to help our clients to engage, retain, and develop talent in order to succeed in their business goals.
These differentiation strengths combined with our industry knowledge and networks, allow us to profile, assess, attract and retain individuals at a much deeper level than our competition. Even though we compete against excellent companies in the market, our company is among the most solid ones in the world.

What is your success rate for placements in new companies, and how do you assist companies to maintain and develop these talents?

Talent retention is a strategic and critical aspect of the management. If we think about it, one of today´s major issues is that only about four out of ten individuals are internally promoted by their companies when they appoint their top management. This also happens several times with general manager positions.
Because we are aware of this issue, we help companies by providing support with consultancy tools in order to search for talent, create high- performing teams, place, and reward, retain, and develop these individuals.
We have hence developed our LTC practice – Leadership and Talent Consultancy with this objective in mind. LTC has helped Korn/Ferry become a trusted advisor for many of our clients on how talent assets in the company should be managed.
Our success rate is extremely high, so that not only do we normally don’t have to replace, but also individuals frequently stay in the company for many years, and more than 80% of our clients continue to request our services over the years.

When a person is promoted to a new position thanks to a great performance, he could be performing poorly in his new position. The most grounded example is that your best sales person is never your best sales manager. How can you foresee cases like this?

Indeed, we have seen this situation from both sides of the business. Not always the best person in a role is going to perform as well in the next one. Another relevant example is that your best functional director, either they come from CFO´s, COO´s, CMO´s or other positions, is not necessarily the best general manager; this is simply because the general manager is a generalist whereas the others are functionally specialized. To tackle this issue, we rely on evaluating learning agility to define the individual’s potential talent. Learning agility is the most important element, with

the highest correlation to success and return of investment that we can observe.

We defined this new concept of “learning agility” thanks to a lot of research and statistical work. For instance, some practices support the idea that high potential individuals are individuals who will be able to grow certain number of levels in management positions in a defined timeframe. The truth is quite different, since high potential individuals are individuals who are capable of switching from a completely new role and yet be successful in either parallel or higher positions in their organizations. The key is to always locate an individual who has a strong learning agility.

If you had a final message on how Korn/Ferry can help the industry find and develop the best people, what would it be?

We offer a combination of deep understanding of the market and broad networking beyond the country which provides us with the art and science to help our clients to reach, retain, and develop talent. Our company is supported with very solid and specific tools and assessments that transform data into relevant information that we can provide to our clients. Finally, we’ve developed as well a process that allows us to be considered as trustable advisors, in a more holistic way, for a long-term partnership where we support our clients in one of the most critical elements of the business: Talent Management.

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