BIOTECH BOOM
A BUST FOR WOMEN

Biotechnology companies have led the way in the initial public offering (IPO) market for the past four years. Yet only 17 of the 225 IPOs were led by female CEOs, 4 of whom are women of color. Lack of gender and racial diversity in company leadership can have implications for long-term success.

4 Reasons having women in leadership is good for business

1 Greater Financial Success
Fortune 500 companies with at least 3 women directors have experienced an:

- 66% increase in return on invested capital
- 42% increase in return on sales
- 53% increase in return on equity

Those companies that have sustained at least 3 women directors for at least 4 out of 5 years have outpaced their competitors by a:

- 60% increase in return on invested capital
- 84% increase in return on sales
- 46% increase in return on equity

Companies with more than 15% of their top management positions occupied by women experienced 52% greater returns on equity than those where women represent less than 10% of the top management positions.

2 Greater Long-term Stockholder Value
Small and mid-sized companies with at least one woman director have performed 17% better in their stock prices over a six-year period than their counterparts while large companies performed 26% better.

3 Better Decision Making, Innovation and Performance
Diverse boards are better able to consider issues in a well-rounded way and have been shown to make better decisions, have more creative problem-solving skills, be more innovative, have higher levels of effort by all members, and have better average performance.

Women in Biotech Leadership

- CEOs: 7.6%
- Board of Directors: 8.9%
- Advisory Boards: 9.3%
- Management: 21.7%

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Smarter
Several studies have shown that, regardless of individual IQ, teams that include women have higher levels of group intelligence than teams comprised solely of men.

Biotech Companies with Women in C-Level Management

<table>
<thead>
<tr>
<th># of Women Occupying Management Positions</th>
<th>69%</th>
<th>39%</th>
<th>23%</th>
<th>11%</th>
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<td>At least 1</td>
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From 2013-2016, biotech IPOs demonstrated consistent underrepresentation of women among their CEOs, boards of directors, scientific advisory boards, and C-level leaders. Of particular concern, despite women earning over 62% of PhDs in the life sciences, the percentage of biotech companies with no women in any leadership position rose from 12% to 20% during this time period.

FROM 2013-2016, BIOTECH IPOS DEMONSTRATED CONSISTENT UNDERREPRESENTATION OF WOMEN AMONG THEIR CEOs, BOARDS OF DIRECTORS, SCIENTIFIC ADVISORY BOARDS, AND C-LEVEL LEADERS. OF PARTICULAR CONCERN, DESPITE WOMEN EARNING OVER 62% OF PHDS IN THE LIFE SCIENCES, THE PERCENTAGE OF BIOTECH COMPANIES WITH NO WOMEN IN ANY LEADERSHIP POSITION ROSE FROM 12% TO 20% DURING THIS TIME PERIOD.

Dr. Pamela Marrone, CEO and founder of Marrone Bio Innovations, started the company in 2006 to discover and develop effective and environmentally-responsible, biologically-based products for pest management and plant health. In August 2013, she led the company to be listed on the NASDAQ stock exchange, raising net proceeds of $56.4 million.

Pam’s a serial entrepreneur having started a similar company, AgraQuest in 1995, where she served as CEO, Chairman and President. She knows the challenges women face in starting their own company particularly with regard to access to capital. Research shows a mere 2.7 percent of venture capital-funded companies have a woman CEO.

AWIS recognizes there are a myriad of reasons for the dearth of VC funded female entrepreneurs which don’t have to do with the individual but the system. So, what can funders do?

- Invest in companies with at least one female founder
- Make sure the company has at least three executives who represent gender and ethnic diversity
- Recognize unconscious biases and focus on sound proof-of-concept

Sources: