

Ogletree Deakins

**BUSINESS  
LEADER OF  
THE YEAR**

**AT THE  
FRONT**

of the

**BOAT**

Ricks Steers Lilly's  
Critical Response

By Tom Schuman

Mention the words “to make life better” to Dave Ricks, and he quickly and confidently shares the long version of the Eli Lilly and Company statement: *Lilly combines caring and discovery to create new medicines that make life better for people around the world.*

Despite the fact that the 144-year-old pharmaceutical company regularly produces medications for 40 million people on the planet, 2020 brought a whole new definition to its charge.





Large gatherings, such as this 2019 companywide meeting featuring colleagues from around the world, became more commonplace for Dave Ricks and his team in the current year.

“Sometimes people think make life better is about making it happier – and that’s part of it,” Ricks concedes. “But sometimes make life better means the difference between life and no life. And I think this year has bent more toward that side of our mission.”

“We appreciate in new ways how the skills that the company has, the assets we have could be uniquely valuable for certainly not just our community or our shareholders, but for the planet because we’ve mobilized an effort that I think will end up saving lives with the COVID-19 pandemic.”

A member of the Lilly team since 1996 and CEO/chairman of the board for the last three-plus years, Ricks downplays his own role. He says “people were running to the fire with buckets” in offering solutions.

“My job was more, you know, the image of Washington crossing the Delaware; you’ve seen that famous picture. I like that picture because I think it describes two kinds of leadership. You have Washington looking very presidential and gesturing forward, like that’s where we’re going.”

“And then there’s a guy in front of the boat with a pole pushing icebergs out of the way. This experience was more me as the second person, to be honest,” Ricks claims. “The team knew where they were going. It was just about how do we use our different skills and positions to get things out of the way. And that’s the kind of leadership that makes you so proud to just be in the boat.”

Modesty might rule for Ricks, but others tell a far different story – both in relation to COVID-19 and beyond.

“Dave is more proactive than any leader I’ve worked with,” offers Tom Linebarger, chairman of Cummins. “He is not afraid of leadership. When it’s time to step up and be a leader, he’s willing to do it.”

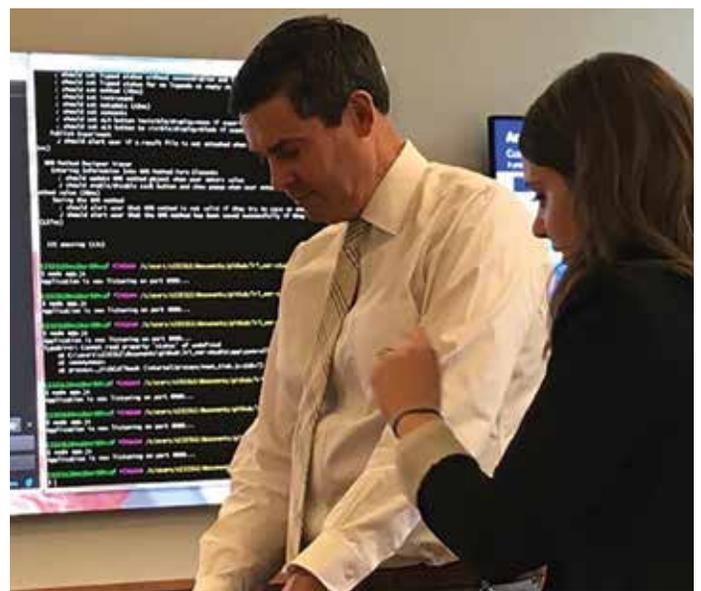
Steve Ubl, president and CEO of the powerful Pharmaceutical Research and Manufacturers of America (PhRMA), adds, “Dave is a forward-thinking leader. He has been a driving force behind the industry’s efforts to improve patient affordability through proactive, market-based solutions – like reforming the rebate system – that would lower patients’ out-of-pocket costs.”

## Head of the pack

More than a few eyebrows were raised when Lilly’s Indianapolis office staff began working from home on March 9. While certainly not able to gauge the eventual magnitude of the pandemic at that time, Ricks and others knew COVID-19 was coming and that it was serious.

Shanghai, China; Madrid, Spain; northern Italy; France; New Jersey. Ricks explains the correlation: “We operate manufacturing sites in what turned out to be some of the worst places on the planet to try to operate a manufacturing site because of the pandemic.”

“By the end of January in China, we were dealing with all kinds of



Ricks went “back to school” with Lilly’s Information and Digital Solutions team to learn more about artificial intelligence and machine learning as part of the company’s digital health efforts.

challenges (including a complete lockdown and suspended operations). We learned pretty early how to manage disease control in what is already a highly controlled and very clean place – a drug manufacturing plant.

“If we don’t run our factories, people die or are seriously impaired because they don’t have their medicines. It happened pretty quickly for us, but each time it was easier to see what you needed to do because we had just done it somewhere else.”

Like a hurricane or other natural disaster, the Lilly team was fully aware of the potential challenge but did not have clarity on “whether it would hit our shore and recede – or if it would just keep coming.”

Many termed the Lilly office shutdown in early March an overreaction. Three days later, however, business leaders were calling Ricks back to apologize.

Cummins was also impacted in China, but that didn’t make it any easier for Linebarger to discern the longer-term impacts.

“For the most part, Dave had been cautioning us that this was bigger, longer, worse than we have been making it out to be,” he recalls, “and he’s overwhelmingly been right. He was always cautioning me it’s going to take a while. I learned within a few weeks that the right answer was to listen to what Dave was saying.”

Side note on safety: Ricks says there has not been a single case of person-to-person transmission (among the company’s 35,000 employees) of COVID-19 inside a Lilly site.

## Indiana ingenuity

Important decisions for Hoosiers and the state of Indiana came before March. Ricks notes it was the third week of February when his head of research and development pointed out the company’s testing laboratory for clinical trials could be adapted for COVID-19 work.

“The first thing we ran into was the fact that you couldn’t buy any of the materials,” Ricks reveals. “What our team did was they made their own. We literally made the reagents in the chemicals. People say, ‘Well, that’s amazing.’ It’s not that amazing.

“We have hundreds of scientists and chemists. This is what they do, and these reagents aren’t particularly special. We worked out our own supply chain internally and made this ‘home brew’ test that used our

own technique. We submitted to the FDA and within 48 hours had it approved.”

The state only had the capability to run a very limited number of tests at that time.

Part two of that equation was the result of another conversation between Ricks and Dan Skovronsky, the company’s chief scientific officer.

“I said, ‘Hey, did you see this thing in Korea where they’re doing the drive-through testing? Could we do that on our site?’ He



Ricks says Lilly’s service activities in 2020 have shifted “to where help is needed most – supporting health care workers and first responders, helping with racial justice initiatives, and developing e-learning and classroom materials.”

said, ‘I don’t know; let me work on it.’ And within a week, we had a pilot site running.”

What began as critical testing for medical professionals and first responders eventually expanded to many others.

## Time is crucial

Speed was also evident in Lilly partnering with others to explore antibody treatments. In laymen’s terms, antibodies are proteins the body makes when an infection occurs. They can attach to a virus to help eliminate it or mitigate its affects. While much of the public attention has been placed on potential vaccines, Ricks says large-scale production (unprecedented in volume) of the proper antibody treatment is also crucial.

“We’re going to need medicines for some time,” he shares.

Lilly began such production earlier this summer (dedicating a plant in New Jersey to the effort), unsure if that early commitment will pay off. It is devoting millions of dollars and additional personnel/resources to the effort – part of \$6 billion overall in research and development in 2020.

“There’s no guarantee that our approach, although probably we’re the first, will be the best,” Ricks concedes. “And if it ends up being that ours fail for some reason, which happens, or that a better one emerges, we have committed to move our (manufacturing) capacities behind a winning bet.”

In his time as CEO, Ricks has used the phrase “the patient is waiting” to emphasize the delicate balance between health and safety. New drug development has traditionally taken seven

years for Lilly and others in the industry. A small oncology company it purchased in 2019 is seeing a product come to market in three and a half years. While not a direct comparison, Ricks expects an antibody therapy from Lilly in about nine months (from the onset of work early in the year; the company applied for emergency use authorization in early October).

“The phrase is about why to go fast, but the how is about atomizing the problem into small teeny bits and speeding up little things that are about changing the mindset of moving quickly,” Ricks explains. And while COVID-19 falls into the unique category, “I think it’s opened up the aperture for how much faster we can move. At the

end of the day, that’s good for Lilly’s business, because if you’re first, you win.

“But it’s even more important for humankind because the burden of all kinds of different diseases is exceptionally high around the world and people want better medicines faster. If we can do that, we really fulfill the purpose of the company.”

## Post-pandemic state of mind

While Ricks estimates as many as 1,000 Lilly team members are working daily on COVID solutions, it is important to note that the company – teaming with its supply networks and customers – has not missed a single order due to the pandemic. The question is: How will the workplace change in the future for this global power?

Manufacturing and scientific research, of course, require that on-site presence and interaction. As for the office environment, “We don’t need all the infrastructure to run the company. I can’t mention to you something that’s broken. Everyone’s managed to work remotely.”

Yet, like others, there is something

lacking. “What we miss,” Ricks says, “is the energy and culture building of direct engagement. We’re going to need that in the future, and we probably need some of that right now.”

Efforts have included a town hall with more than 20,000 connected online, as well as a leadership forum with several thousand taking part. The feedback, according to Ricks, has been strong.

Downtown Indianapolis has been home to the company for 144 years. It has more than 11,000 employees in the state.

“Making sure our state and our capital city has a vibrant downtown core has to be a priority for everyone,” Ricks shares. “Even in a world where we say, ‘OK, there will be more of a hybrid way of working going forward,’ it will be our home and we’ll have lots of people downtown. There’s a temporary nature (to the current downtown slowdown) ... I’m personally optimistic.”

The economic downturn associated with the pandemic has exposed a weakness that must be corrected, Ricks contends. That is a need for a stronger business complement to downtown’s sports, entertainment and convention focus.

“There are a few large businesses that anchor it, but not as many small, mid-size businesses in the downtown core. We need that presence, and we need to focus on the necessary, difficult job of landing these businesses.”

Branching out beyond downtown, Ricks is clear in stating, “It’s well past time the Indianapolis region has a nine-county strategy that is integrated on everything from how education works, how transportation works, how incentives for business work. We’re not competing against each other for the same thing.

“If we’re going to be competitive globally, which is how we have to think about it as a region of several million people, we really need to get a much more integrated approach in all these layers of our society. And public health, I would suggest, is one of those as well.”

There’s no better example than 2020 for the importance of working together in the area of health.

“Most of the time the debate on health care in this country has been about individual responsibility versus what society’s responsibility is for you. That makes sense if we’re talking about chronic disease, but in an infectious disease your health is my health and there’s no escaping that. That’s not an argument to make. We have to act collectively.”

### Preparing for his role

A California native who went to high school outside New York, Ricks followed in

the footsteps of his father’s family and migrated to Purdue for his bachelor’s degree in industrial management in 1990. One word brought him back to the state about four years later.

“Love – love of my girlfriend, who’s now my wife of 24 years.” As she pursued medical school, he moved from New York to obtain a master’s degree in marketing and finance from the Kelley School of Business at Indiana University. He graduated, needed a job and began his career at Lilly.

“Some things just work out for a reason,” Ricks surmises. “It’s not the plan you had going in, but what you do in the moment

looks at you and everything you do. It was thinking about your role as a leader and the shadow you cast, good or bad, that can really have a profound impact on the destiny of your organization.”

- That was followed by a stint as president and general manager of Lilly China, which doubled in size while he was there and where the strength of being a good communicator was challenged. “Seeking clarity over perfection was really a key lesson for me. Organizations need clarity. They need to know which way to run. The speed gave me an appreciation for what could be achieved in a short period of time.”



Giving back has been part of Eli Lilly and Company throughout its 144-year history. The Global Day of Service in 2018 took Ricks and other volunteers to Mexico.

that matters most.”

Ricks cites several key roles as he moved up the ranks at the company:

- A first leadership position in which he managed 16 salespeople working remotely. “That really forces you to think about leading differently. How do you inspire people? How do I get the best people in the field and what can I do uniquely to help them be good at their work?”
- Serving as general manager at Lilly Canada (2005-2008) after starting there in marketing and sales. “When you’re the senior person on the ground, everybody

Ricks returned home to lead Lilly Bio-Medicines before being elevated to the top roles after John Lechleiter’s retirement. Lechleiter and then Cummins leader Tim Solso had begun the practice of getting together to discuss issues that would help Indianapolis and the larger community move forward.

Linebarger, who succeeded Solso, was quick to continue the convenings.

“Dave likes to understand the issues, think through which actions could make improvements and then execute them with urgency. He really has an impatience for action – in a good way.”

Both were quick to listen – and continue to do so in various community settings – when racial inequalities rose to the forefront earlier this year. That follows previous engagement on early childhood education and civil rights among other issues.

### Looking ahead

Away from the job, Ricks enjoys heading west. “I love the mountains (and backpacking). My idea of unplugging is to go where no one can reach me and walk through the mountains. Nature’s antidepressant is to go and see trees swaying, to remember that we’re on a huge planet with incredible beauty.”

Among various public service initiatives, Ricks serves as chair of the Riley Children’s Foundation board. It’s about both his passion for improving health care and the company’s deep history.

“Mr. Eli, the grandson of the founder of the company, who ran the company for many, many years, had a saying – which is the goal of the company is to do the most good for the most people for the longest period of time. So, if that’s the case, then in health care,

we probably should have more focus on kids.”

Ricks anticipates a “post-pandemic reckoning on health care” in Congress to avoid future scenarios. Despite saying he sleeps pretty well at night due to not worrying when he has put his best effort in, health care’s overall path is one of the items out of his direct control.

Two others:

“In the last few years, we’ve spent more collectively on R&D

both inside our company and by buying things than we have in a long time,” he states. “So, we’re making bets, but are they the right ones? If Lilly’s going to be a great company in Indiana in 20 years, long when I’m out of this chair, it’s going to be because, on our watch, we made great bets on technology. And that’s hard to know because of the latency.

“The second one (area of concern) is people – can we attract and retain the very best people? The war for top talent has never been more fierce.

There’s just no substitute, no matter how much artificial intelligence or automation we have, for top talent. The best people are not just a little bit better than the next best people. They are a lot better.”



Ricks conducts a recent virtual interview regarding the *Turning Point* documentary, which highlights the extensive work of Lilly scientists and others to crack the mystery of Alzheimer’s disease.

## Message from Geneva, the international global health hub

# Thanks Dave

**David Ricks, Chairman and CEO of Eli Lilly and Company, has been leading the global biopharmaceutical industry in his capacity of President of the IFPMA, the trade association representing the biopharmaceutical companies and associations across the globe. The role has put David at the forefront of efforts to tackle the major global health challenges with United Nations and other global organizations.**

**COVID-19** – We must thank David for his leadership from the very first days of the COVID-19 pandemic. He has shown how the biopharmaceutical industry can act as one-team to leverage its unique scientific, medical and technical expertise to search and deliver safe, quality, effective, and affordable COVID-19 therapies and vaccines to all.

**Superbugs** – He has also played a key role in setting-up the ground-breaking AMR Action Fund, which aims to avert another potential health emergency called anti-microbial resistance, that can be an equal threat to lives and livelihoods. This unique new fund has raised nearly \$1 billion from big pharma companies to help biotechs bridge the antibiotic innovation gap, and bring 2-4 new antibiotics to market by 2030.

**Supporting innovators** – He has been a tireless advocate on the need to stimulate innovation and “change the math for innovators” so that they can continue to search for treatments such as Alzheimer’s, despite a very complex drug development and high failure rates.

**Anti-doping** – Dave has also shown leadership internationally on clean sport, by strengthening our collaboration with the World Anti-Doping Agency.

**Transformational partnerships** – In these extraordinary times, the biopharmaceutical industry continues to forge new partnerships with governments, academia, biotechs and other pharma companies to find sustainable solutions to pressing global health challenges, while strengthening local healthcare systems, and delivering critical medicines to patients who rely on them.

**Global health progress** – We thank Dave for his tireless efforts to explain the role of the biopharmaceutical industry in contributing to global health progress for today’s and future generations.

*Congratulations on behalf of all of your colleagues in the pharmaceutical industry around the world; and thank you for your leadership in these historic times.*

**Thomas Cueni, Director General, International Federation of Pharmaceutical Manufacturers and Associations (IFPMA).**

