

The Architecture of Hope

An Interview with Tarek Sherif,
Chairman and Chief Executive Officer, Medidata Solutions

EDITORS' NOTE A co-founder of Medidata Solutions, Tarek Sherif has served as CEO since 2001 and Chairman since 2009. Prior to Medidata, he co-managed and managed equity funds focused on public and private technology and life sciences companies, as well as holding various positions in finance. Sherif received his B.A. in economics from Yale University in 1984 and graduated from Columbia Business School in 1991, where he earned a degree in business administration and finance.



Tarek Sherif

COMPANY BRIEF Medidata (mdsol.com) is the global leader in collecting and managing clinical trial data and supports trials in more than 120 countries, while defining the vertical cloud company business model. Medidata's mission is to power smarter treatments and healthier people.

This company has had strong results and has done consistently well. What has been the key to that success?

It is part and parcel with social responsibility. Our mission – to power smarter treatments and make people healthier – has been embedded in Medidata's DNA from day one.

We have always cared about the patient and, ultimately, sought to help our customers get the best possible drugs to market in the shortest time by helping to make it an efficient process.

That mission aligns very well with our customers. They are leaders in healthcare – top biotech, pharmaceutical, and medical device companies.

While we all run commercial businesses, there is a bigger purpose here. We are all focused on developing innovative therapies to treat diseases and help save people's lives, as well as improve their quality of life.

Any Medidata employee can talk about our mission. Our people are very proud to be working at Medidata; they understand the vital role our technology plays in drug development and the impact it can have on making medicines much better in the future.

I believe that this is such an ingrained part of our culture that it helps us every day as we're talking with clients or employees who

are thinking about the products we're continuing to evolve.

We are at an interesting time in the discovery of medicine. It's especially exciting when we think about some of the immunotherapies being used to treat certain kinds of cancer. Our understanding of the science behind cancer has moved forward significantly over the past decade, and we're starting to see the impact of that, especially with recent advances in genomics.

Strategically, we are becoming more important to our clients because we can give them scientific insights, as well as make their drug development operations more efficient. This has played a huge role in our success.

Does the software cross over with healthcare or is software still your core?

We've always been a software company. Through our platform, we provide what we describe as the "Architecture of Hope" – infrastructure that enables our customers to bring life-saving treatments to patients all over the world.

We have developed a cloud-based platform that ties together the various participants in drug development. This extends from the researchers to the folks who are responsible for the financials of a trial to the folks on the ground who are actually running the trial – the doctors and nurses and even patients. We're now able to collect data directly from patients and feed that into some of the analytics we have.

As I mentioned earlier, we've always been a software company at heart, but one specifically focused on the life sciences vertical.

There is crossover in the sense that as our business has evolved, we've become the largest repository of clinical trial patient data in the world. We're starting to help our customers figure out the real value of this data, providing them with actionable insights. Today, we are evolving from just a pure software company into more of an information-based company.

Many who look at healthcare delivery from the outside admit it can be daunting. From your vantage point, is the kind of cutting-edge research being done well understood by the general public?

It's well understood by the people who are most impacted by it and by those who are doing it. Last year, I had an opportunity to see a great speaker named Dr. Raymond Schinazi, who led

the team responsible for developing the cure for hepatitis C, Sovaldi, and many hepatitis B and HIV drugs now on the market.

Looking at the diseases we can effectively cure, like hepatitis C, irrespective of one's feelings about the economics of the drugs, these medicines save people's lives. Before Dr. Schinazi and the team developed a cure, one would end up in a very bad place with hepatitis C and need a liver transplant. Now, patients with hepatitis C can lead a relatively normal life after taking a drug for 10 weeks.

The same thing is happening with immunotherapy drugs for certain cancers. Chemotherapy was previously the only available treatment. Many patients experience terrible side effects while on chemotherapy, significantly decreasing their quality of life. Now, because of a number of the drugs being developed, patients' quality of life is improving significantly.

Looking at the overall healthcare delivery system, there are many issues. Some of them have to do with the need for process change; some of them have to do with a need for new technology. Then there are other intangibles.

If the scientific innovation we're seeing continues, some of the problems that we have in the healthcare system will simply go away.

Also, personalized medicine is changing healthcare. By taking somebody's genotype and phenotype into account along with the way that person lives their life, we can learn a lot more about an individual's health status and tailor therapies for a specific patient.

Is the philanthropic work for the company related to the business itself?

Yes, and it's embedded in our DNA. Medidata's mission is to power smarter treatments and healthier people, so philanthropic work is important to us personally and at a corporate level. Our leadership gets involved in the community in a number of different ways, as do employees across the organization worldwide. They are given time off to participate in socially responsible activities and support causes that are meaningful to them personally.

We take corporate social responsibility very seriously, and we have a more formal structure around it, but it really starts with the individual.

I'm involved with organizations like the Partnership Fund for New York City, and I sit on the NYU Langone Medical Center board, and have my own personal outreach and philanthropy.

We set up the Medidata Foundation last year as a way to give back to the community in a more formal way. We're focused on sustainability too, so our global offices are LEED Gold certified.

Will you touch on the work of the Medidata Foundation?

One key area of focus is around rare diseases – advancing research in life sciences, both through technology and the funding of rare disease research. Outside the foundation, we also have a program, and have had it for years, through which we provide very heavily discounted software to academic organizations. We work with some of the top learning centers around the world, and we give them access to our software at very reasonable prices to help drive their research. We work closely with the NCI as well, so we're involved in many of the cancer research sites throughout the world.

Another important piece for the foundation is education. We're finding ways to partner with high schools and other organizations to provide opportunities in science and technology.

As it relates to science and technology education, in New York, we're involved with Ladders for Leaders, where companies bring high school students into their firms as interns, and that has been very successful for us. It exposes young kids to what it's like to be in a corporate environment.

Medidata has been getting more involved with Computer Science NYC, both from a funding and potential job or internship perspective. This is another organization that is bringing computer science learning to all of the schools in the city. We have also worked with the New York Academy of Science on their junior challenge.

Around the world, we are focused on providing support to local communities, where our employees live and work. Our global outreach is driven by things like disaster relief and volunteerism, and we match donations made by employees in every region.

You are known to be results-oriented and to track everything you do. On the philanthropic side, how critical is it to have

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metrics to track the work of the foundation and the impact you're having?

Metrics are important, but a leap of faith is also important. We can't turn everything into metrics.

If we think about social responsibility, it can't just be metric and financially driven. We understand this at Medidata, and it speaks to our culture, which means we have people who care. Sometimes, we have to go with our gut and do what we think is right, even if we might not be able to quantify the impact.

Is there understanding with boards today as to how critical it is to attract talent looking to work for companies that have purpose as a part of their culture?

I can speak for my board and yes, they understand it. They are 100 percent supportive of it because it's good for the company, and that means it's good for top line and bottom line.

If we have highly motivated employees that feel good about our organization and how we deal with broader social issues, we'll have a more engaged and committed workforce.

At day's end, if we're running a highly automated robotic organization where we don't have human beings involved, the social responsibility piece will not have an impact.

At Medidata, we know that we're dependent on our employees for our success. Their

values define our organization, so we have to take purpose into account. For us, the ROI is enormous.

With the kind of work this company has done from the start, you seem to attract people who have that desire to give back already within themselves.

It's part of our DNA. It makes it easier because if we're not living up to the expectations we and our industry set in a broader sense, if we're just focused on the business, then it rings hollow. On the one hand, we work with our customers to help them deliver better drugs, but if we're then not living up to the other aspects of our broader social responsibility, people see through that.

When it comes to having true impact, is this going to be driven by the private sector and business? What are the right ingredients to address these issues?

It will come back to the public/private partnership. If it's all private, we get into discussions as to the right metrics and how they are measured.

There are broader societal issues that can't be addressed if the vested interest comes purely from the private sector. This is why social institutions are formed. However, if it's all being done publicly, that drives inefficiencies. There is an important system of checks and balances created by public and private sectors working together.

How important is it to communicate the successes to your people in this regard?

We don't do it enough because there isn't enough time, but talking about success is important.

The forum we try to use to do this is our quarterly town halls, where we talk about bigger issues associated with the company. In between these events, we maintain an ongoing dialogue via our company intranet, Medidata Express, which serves as a great communication vehicle for employees to stay informed on news and engage with colleagues.

Twice a year, we also host parties throughout the world and let our employees have a good time and remind them how much we value them and the work they do. ●