

Global Life Sciences Hiring Index

Life Sciences Hiring Index Shows Modest Gains in 4th Quarter

Pharma activity hits an all-time index high...R&D hiring takes a hit, while Commercial roles rebound

The sluggish economic recovery reflected in the mixed results of hiring activity in the last quarter of 2013. CROs posted a 2% drop while Devices and Pharma saw single digit percentage increases over Q3. Over the long term, Pharma postings were at historical index highs, while the Device industry is down more than 30% from its Q2 2011 Index high watermark. Asia Pacific hiring surged while North America and Europe declined slightly.

What's Hot?

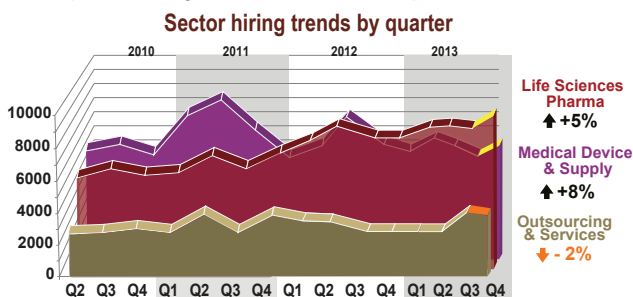
Sales and Marketing roles increased by more than 30% with much of that attributable to some significant hiring in Asia, a region that saw a more than 25% increase, but was the only region to increase activity.

What's Not?

- A second consecutive sharp decline in hiring activity struck the R&D function, dropping 15% from the previous quarter and posting a 22% year-over-year drop.
- Manufacturing roles also saw decreased activity in the 4th quarter though the function was more than 20% higher than the same period 2012.

Sector Snapshot

The Pharma and CRO space each saw small declines in the 4th quarter but activity in each sector remains near historical highs. Within Pharma, Novartis and Sanofi led the way with strong hiring activity across all functions while Merck and Eli Lilly were the laggards. Medical Device saw a modest gain of 5% but hiring has slowed greatly, sitting at 30% less than all-time index highs. Philips Healthcare was the most active in the 4th quarter among the Medical Device companies.



Functions

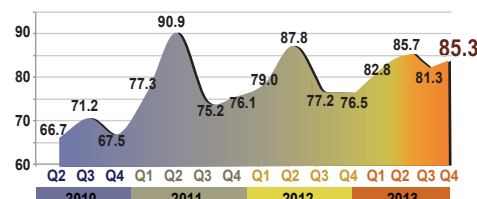
As mentioned earlier, R&D hiring activity slowed dramatically in the 4th quarter while hiring in the Commercial function was at its highest level since Q2 2011. Regulatory / Clinical along with Administrative roles gained slightly while Manufacturing activity dropped to its lowest level in the past 4 quarters. Nearly all functions save R&D had 4th quarter activity much higher than in same period 2012.

Private Equity Snapshot

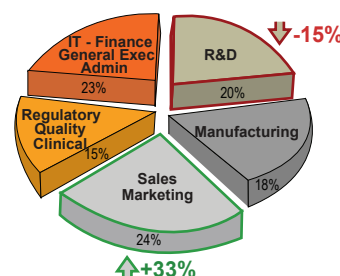
The Private Equity Snapshot is provided by Adley Bowden, Director of Research and Managing Editor of PitchBook Data Inc.

Private equity at the macro level has largely been in a 'new normal' holding pattern over the last couple of years. Meaning that deal and investment levels have held relatively steady, however that changes as you begin to look deeper into where exactly that money is going. Overall there is a trend happening towards more growth style investments, both in terms of structure of the deal (minority with a focus on growth) and in type of company (younger, often in high growth sectors). Private equity investment activity in the Life Sciences industries did decline in 2013, to levels closer to that of 2009 than 2012. This was largely the result of the uncertainties surrounding the massive amounts of change currently happening to healthcare in the United States. Uncertainty is one of the biggest impediments to private equity investment and as the new rules, regulations and consequences / benefits become more known we expect to see investment levels increase again. Private equity firms currently have over \$700 billion of investable capital they are itching to put to work. These Life Sciences Index numbers will certainly be interesting to watch over the next year as we wait to see when private equity firms return to the industry.

ZRG Partners GLSI Levels

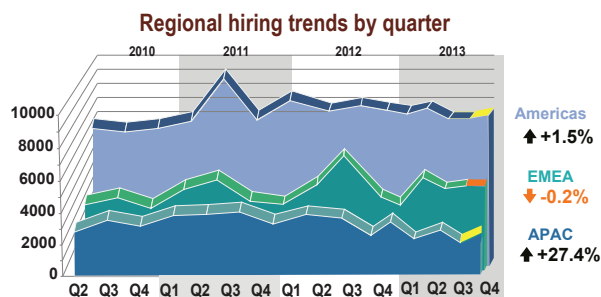


Job types
Functional needs



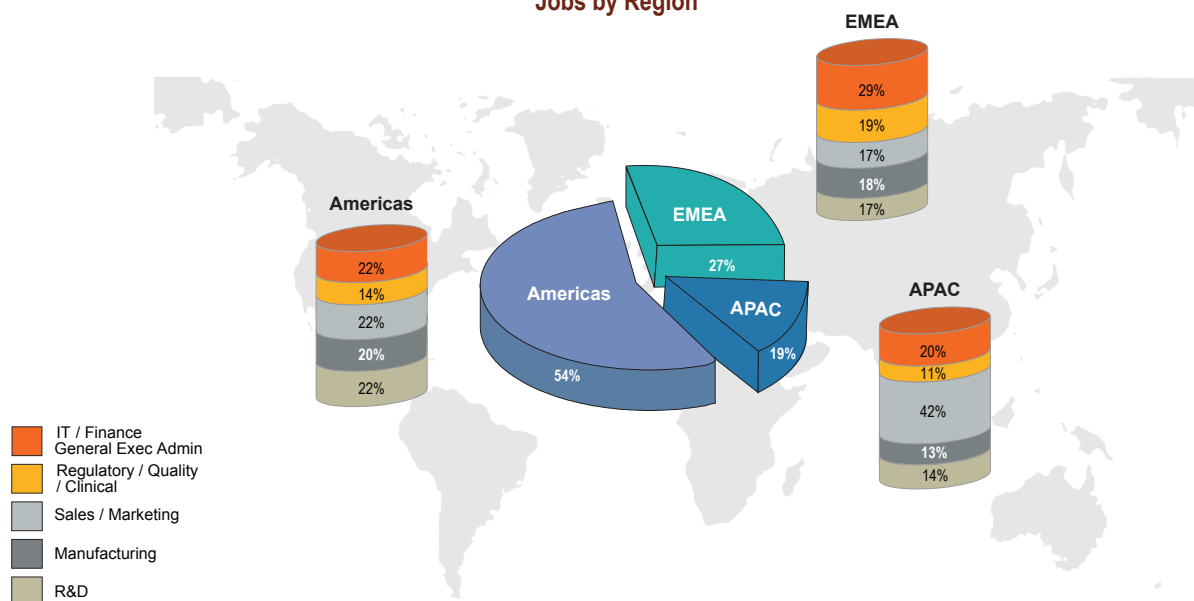
Regional Snapshot

As noted, the EMEA and the Americas each posted slight declines of less than 2% but remain near all-time highs. Asia Pacific benefited from a sharp rise in commercial postings particularly from one large Pharma with more than 500 such positions.



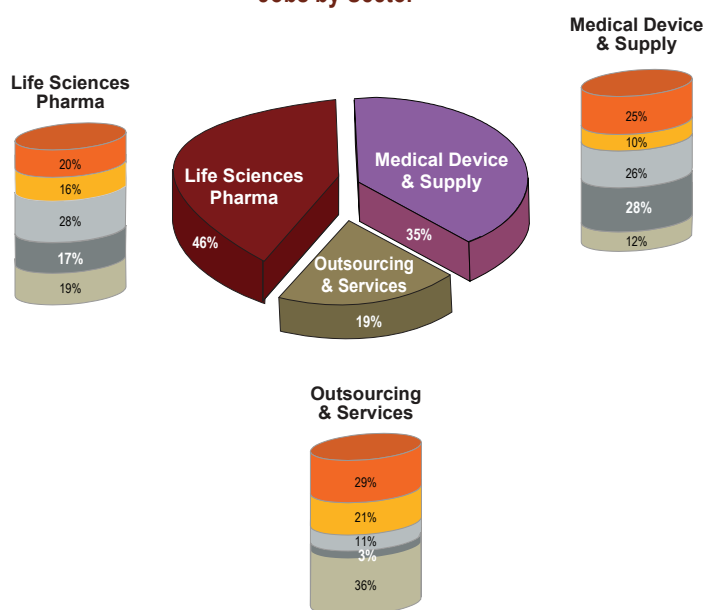
Regional Trends and Highlights

Global Life Sciences Hiring Index
Jobs by Region



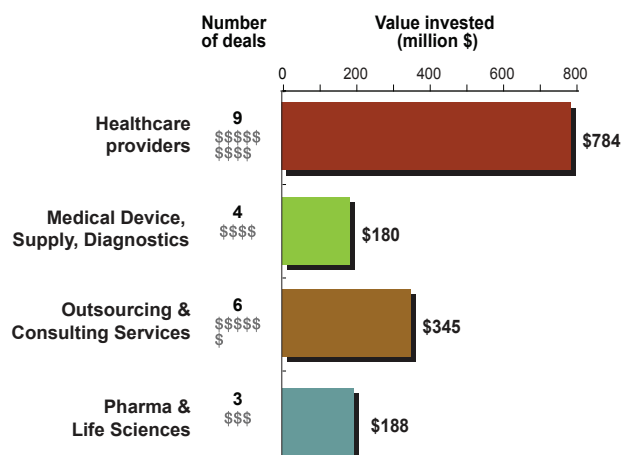
Sector Trends and Highlights

Global Life Sciences Hiring Index
Jobs by Sector



Private Equity Trends

Q4 2013 Investments
by Global Life Sciences Hiring Index Sectors



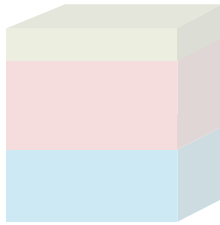
Data provided by PitchBook (www.pitchbook.com)

About the Global Life Sciences Hiring Index

The Global Life Sciences Hiring Index Analysis

The Index utilizes a proprietary algorithm that looks at confidential hiring within selected benchmark companies in three distinct segments: 1) Life Sciences / Pharmaceuticals 2) Medical Devices and Supply 3) Outsourcing and Services. The indexed participants represent 30 global organizations widely considered leaders in their respective fields. The companies in the Index generate over \$634 billion in revenues and employ over 1,300,000 people globally. ZRG Partners conducts extensive direct market research in developing the data that drives the Index.

Here is a list of firms by segment that are part of the ZRG Global Life Sciences Hiring Index:



Medical Device: \$265 Billion in Revenues and 485,000 Employees

Abbvie / Abbott Laboratories, Baxter, Becton Dickinson, Boston Scientific, Cardinal Health, Covidien, GE Healthcare, Medtronic, Philips Healthcare, Siemens Medical.

Pharmaceutical: \$357 Billion in Revenues and 804,000 Employees

AstraZeneca, Bristol-Myers Squibb, Eli Lilly, GlaxoSmithKline, Merck & Co, Novartis, Pfizer, Roche, Sanofi-Aventis.

Outsourcing / Services: \$11 Billion in Revenues and 80,000 Employees

Charles River Laboratories, Covance, ICON Clinical, InVentiv Health Clinical, Kendle / INC Research, Parexel, PPD, PRA International, Quintiles.

In addition to providing a Life Sciences / Pharma / Medical cross section in this Index, we also track and monitor functional hiring trends. The Index looks specifically at jobs that would fall into one of five primary categories for analysis. These categories include:

1. Research and Development
2. Manufacturing / Operations
3. Sales and Marketing
4. Regulatory / Quality and Clinical
5. General including Accounting, Finance and IT

About ZRG Partners, Inc.



ZRG Partners, Inc. is a global authority on talent management issues within the Life Sciences, Pharmaceutical and Medical markets. ZRG provides its clients with specialized market expertise in executive recruitment, consulting and advisory work, with a focus on data and analytics to drive great business decisions. ZRG brings patented solutions that are changing how companies approach talent in the Life Sciences sectors. Our value proposition is centered around providing data and analytics that perfectly compliment the market expertise we bring in this sector. With offices throughout the world, ZRG can bring global expertise with local market talent knowledge to solve human capital challenges.



Z Score brings data and analytics into hiring decisions to ensure you are making the best possible decision with every hire. Compare potential new candidates to our "global hiring scorecards" that we have developed for all of the key roles in Life Sciences.

CollaboRATE is a powerful, global interview management system that solves the problem of interview feedback and decisioning for clients. Many Life Sciences clients involve 5 to 10 people in interviews for key roles, but the method of getting feedback is broken. Imagine converting the feedback of your team during an interview process into actionable data. CollaboRATE turns the collective wisdom of your hiring team into actionable data, quickly at the touch of a key!

Our Life Sciences Human Capital Solutions Service offering includes:



- Retained Search for roles ranging from C-level leaders, VP, Director and hard-to-fill management roles
- Talent Management solutions leveraging our tools and processes including our innovative H-Cap product
- Strategic Human Capital consulting
- Compensation and external competitiveness benchmarking
- Talent Identification and Talent Mapping projects
- Recruiting Process Outsourcing solutions

We support global, institutional clients as well as many early stage and private equity backed companies.

For more information, visit www.zrgpartners.com. For Press requests or for permission to use this data in other media form, contact **Larry Hartmann** in the USA at +1-201-560-9900 x222, **David Fortier** in the USA at +1-508-366-5800 x227 or **Adam El Din** in Switzerland at +41-22-319-3304.