

LEADING IN THE B-SUITE



Dealing With Headwinds Helps Build Resilience, So That You Don't Accept Failure or Setbacks

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Nolan Townsend, CEO of Lexeo Therapeutics and former President at Pfizer, shares powerful lessons on how headwinds build resilience in this Leading in the B-Suite interview with Rhonda Morris and The ExCo Group's Adam Bryant.

Morris: What were some early influences that shaped who you are today?

Townsend: I'll start much further back. My great-great-grandfather was the first African American attorney in the state of Virginia. He was born enslaved, but in the 1800s, he somehow earned his freedom and went on to be educated. He became the first Black attorney in Virginia, which I think was a pretty significant milestone. He also was a civil rights activist under the mentorship of Booker T. Washington.

From then on—and this is my mother's side of the family—all the family members were both college- and graduate-school-educated. This is a very important theme throughout my mother's family, including my aunt, who was the chairwoman of the board of Spelman College in Atlanta.

On my father's side, it was almost the opposite. He was born into a very impoverished beginning and worked out of that to earn a law degree from UCLA. These are probably two opposite ends of the spectrum of the African American experience in the United States. Both have influenced me, but

what's most important is how education was the common link between the two. So, that's always been a focus for my parents and myself.

What also influenced my interest in moving into business was my aunt—the chairwoman at Spelman College. She was a senior executive at several corporations, reaching C-suite roles in those organizations, and she did a lot of business travel. When she visited us, she would arrive with all this foreign currency. I remember at a very young age trying to figure out what all this money was and what it was worth. That triggered interest in business, the global economy, and Wall Street.

Bryant: What conversations did you have with your aunt about foreign currencies?

Townsend: She explained to me the differences in the business cultures in Japan, Brazil, and other countries. That helped me become more aware of the scale and complexity of business challenges worldwide. I was intrigued by them. In my career, I've spent almost a decade working outside of the US in various countries.

Morris: When you were a teenager, was there a moment when the drive and ambition kicked in? Did you know you wanted to be a CEO when you were older?

Townsend: Early on, I was interested in pursuing a career on Wall Street, and I progressed in that direction. Pretty much every summer during middle and high school, I was in a business program and different enrichment programs, even on weekends. I had internships during college at investment banks, and my first few jobs out of college were also focused on finance. But two things influenced my interest to move more into a general management or C-suite leadership positions.

The first is that Harvard Business School is a general management school, and I learned a lot about general management in that context—you hear from a lot of general managers and CEOs at the school. That helped open my eyes to the attractive aspects of that role. The other was spending time on Wall Street in investment banking. What I began to realize was that the decision-makers for a lot of the transactions were CEOs. So I started asking myself, do I want to support a strategic transaction in an investment banking advisory role, or do I want to be the person who's actually making the decision about pursuing the transaction in the first place and realizing the potential of whatever the transaction is meant to achieve?

My admissions essay for Harvard Business School stated that I wanted to be the CEO of a biopharmaceutical company. That's slightly different from what I'm doing now, but by and large, by the age of 44, I've effectively attained the role that I aspired to in my business school admissions essay.

Bryant: You spent several years in roles around the world at Pfizer. What did you learn from those experiences?

Townsend: First, I think Pfizer is a great company with a great track record in the pharmaceutical industry. It does a lot to develop talent; I'm an example of that. They allowed me to work abroad for ten years in five different countries. I was moved to a new role with broader responsibilities every two years. That's a very attractive profile of a company willing to invest in its employees. Working in different cultures is challenging but requires substantial learning and opportunity. Every culture I stepped into was different.

Morris: In many countries outside the United States, we are seen as Americans first rather than as Black Americans. Did you experience that?

Townsend: Very much so. In South Korea, for example, I didn't feel or observe much of a distinction between being a White foreigner or a Black foreigner. If you don't speak Korean and you don't know their culture, then you're a foreigner. So, in a way, there was some comfort in that. I found my experiences working in Asia to be truly exciting.

I also was the country manager for Pfizer's organization in Ukraine, and I probably came across fewer than ten people of African descent my entire time there. And this is a country of 45 million people. So you could see that there was not the diversity there that you would see in Western Europe—for example, in London or Paris. But the other side is that there wasn't a culture of racism or anything of that type in that country. I didn't experience anything problematic in Eastern Europe from that perspective. I don't think they had enough experience with people of color there to have any real perspective.

Bryant: That was a significant shift for you going from a global company like Pfizer to CEO of Lexeo, a smaller company. Can you talk more about that?

Townsend: A key part of the decision for me was what I would learn by attempting to launch and build such a company, including raising capital, attempting to pull together a gene therapy pipeline, and building a team outside the context of a large corporation. It does come back to these early influences around education. This has been as educational as any degree from Harvard or the University of Pennsylvania. The work to form a company is education, and the idea that someone could pay me to do that was even more attractive.

At Pfizer, I had successive general management roles outside the US in small and mid-sized countries and regional roles across some operating divisions. The roles outside the US were interesting in that you have P&L and general management accountability for a country organization.

So, even though you are in a large corporation, the roles are pretty autonomous and entrepreneurial. You're left alone if you deliver your revenue and profits. I missed some of that autonomy and entrepreneurship when I moved back to the US. I also began to understand the full potential of what genetic medicines can deliver to transform human health truly.

Ultimately, it comes back to betting on yourself. It's a conviction around the background and experience you have and a conviction around the nature of the entrepreneurial opportunity that you're looking at. That's the draw and the drive to entrepreneurship.

Morris: I imagine you've encountered a lot of headwinds in your life because of your race. How have you navigated them?

Townsend: There have been headwinds, and indeed, you can tackle them in many different ways. One way is to become frustrated, upset, or even discouraged by those headwinds, and I have friends and others who feel those things. The way I've looked at it is that you're building resilience from those headwinds, and that resilience can be useful in progressing one's career. You're able to work through challenges in a more meaningful way. It's not a positive thing to experience those headwinds, but there is that silver lining of helping to build resilience. Over the long term, that can help you be more successful than if you had not experienced those headwinds.

Bryant: Can you share an example of the headwinds you've faced?

Townsend: I was pursuing a summer internship, and I believe I did not get the internship because

of my race. I had to work much harder to get to the type of job I wanted, including networking more, conducting more interviews, and refining how I interviewed. It was probably a tougher road to get to the same job than someone not of my race. But again, it helps create resilience. It can create the type of personality where someone doesn't accept failure, doesn't accept the setback. They try to get around it, over it, through it, no matter what's in front of them.

Morris: Where are you on the optimism-versus-pessimism scale that things will improve?

Townsend: On the surface, we may be even regressing concerning progress for African Americans in corporate America. Some of the recent Supreme Court rulings clearly aim to pull back some of the programs that would have supported that progress. And I believe it's likely to result in a slowing or stalling of progress.

However, I think a byproduct of this may be productive. Do we have enough people in the African American community who consider entrepreneurship as a viable career path? Maybe the stalling of the progress of African Americans in the corporate world will yield more people saying, "I want to be an entrepreneur. I want to bet on myself. I know what I'm good at and a leader in my industry, but I don't feel that I'm progressing enough in the corporate world. So I will start a company or create a role that allows me to realize my skills, talents, and experience in a different context."

So, this stalling or slowing of progress in corporate America could unleash the collective energy of the African American community into entrepreneurship and create more companies led by senior African American executives. Think of it in terms of opportunity cost. If your opportunity cost is high, you probably won't leave to start your own company. If your opportunity cost is low because you're not progressing, then people are more likely to leave to take that path.

Another ancillary fact that I would point to is that here at Lexeo, over 40 percent of our 80 employees are people of color, and this is without any straightforward diversity programs or diversity hiring programs. That 40 percent figure is more than double any company I know in the space and probably a lot higher than most other companies in any sector.

We can demonstrate that there is sufficient diversity of talent with the right skill sets to work effectively in the biotechnology industry, a lot of diverse talent with suitable scientific backgrounds, and diverse talent that could be applied to achieve great results and outcomes. That's the work we're doing at the company.

Bryant: What was your reaction as you watched the early momentum around DEI grow after George Floyd was murdered?

Townsend: I was encouraged to see the groundswell of interest. Did I believe it would continue at that same degree of intensity for an extended period of time? To be honest, I did not. I thought it was going to be a short-lived surge, but I think we should take progress in whatever form or place we can get it. As I mentioned, I don't think corporate America is coming up with programs to support colleagues. I see an underrepresentation of people of color pursuing more entrepreneurial paths. We need programs that could actually move the needle on entrepreneurship, including how to raise capital, how to develop networks with investors, and how to think about building teams in new companies.

Morris: Do you have any advice for corporate America on what they should be doing differently to develop and promote Black talent?

Townsend: The first thing is that it should not be surface-level initiatives. These should be real initiatives that are focused on truly developing the talent into operating and P&L roles that provide a path to the C-suite. It's not just about reaching a certain level of seniority. It's how much influence and impact those roles can have that really matters. And it's not just a matter of whether you have diversity on a larger scale. Do you have diversity in the places where you're going to have that type of impact on the customers you're serving or the stakeholders you're working with?

Bryant: What career and life advice do you share with young Black professionals?

Townsend: The common thread, whether you are working in large or small companies, is that your aptitude, intelligence, and work experience will only get you so far. You must invest in building relationships with people around you, above you, below you, and outside your company. You never know when you will need to leverage those relationships in your career. It's not like school, where you study for a test, take it, and get a good grade. Other factors at work will determine your ability to progress in your career, and many of those are related to relationships.