



Stanford eCorner

Balancing Risk Against Reward

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February 02, 2011

Video URL: <http://ecorner.stanford.edu/videos/2629/Balancing-Risk-Against-Reward>

"We don't have an experimental system, we have a human being," says UCSF Chancellor Susan Desmond-Hellmann, referring to the unique circumstance that life science innovators must consider when measuring risks against rewards. She also explains why leaders must have an operating style that accommodates employees whose job functions require different schedules and tolerances for risk.



Transcript

So a couple of lessons that I've learned in leadership and in innovation, both at Genentech and at UCSF, I wanted to share with you in this class. First of all, one of the things that I think is most challenging about anything that needs to be orderly. And I know many of you are engineers. Some of you are in health sciences or life sciences. There's something very important about being a life sciences innovator. And that is that we don't have an experimental system. We have a human being. So the human beings who were involved in the trials, their protection, their wellbeing, has to come first and foremost before anything. So think of yourself as wanting to hire, recruit, retain, reward innovators, risk-takers, in a world that involves human beings. So what I learned more than anything is to be really clear on when it's time to take risk, when it's time to say, "Gee whiz, I wonder if we could try that," and when it's time to be very orderly.

An example, when you're doing something that requires sterility. Sterility is an essential part of taking care of patients. When you put something in someone's vein systemically, it has to be sterile or they get a Bacteraemia. Very bad outcomes. There's not a lot of wiggle room on sterility, right? There are things involved in manufacturing, things involved in running a hospital which we do at UCSF, that involve compliant behavior, regulatory behavior, doing things the same way all the time-the six sigma kind of operating style. One of the great challenges, a very important challenge, is having room at UCSF for people who show up at noon and work all night, when right down the hall is somebody who shows up and punches a time clock and works on sterility. And a great leader has to have an operating style that works for both of those people. And is really clear about what behaviors we want, reward and risk-taking when risk-taking can pay off and not have bad side effects.