

## **Case Study: Tanox, Inc.**

### **The Situation:**

Tanox, Inc., (NASDAQ: TNOX), a Houston, TX-headquartered, biotechnology company specializing in the discovery and development of biotherapeutics based on monoclonal antibody technology, requested The Bolton Group LLC to accelerate the development of four Executive Committee members and to prepare them as potential successors to CEO/Co-Founder, Nancy Chang, PhD. Tanox's revenue was approximately \$26 million. The company debuted on NASDAQ in 2000 with a \$244 million initial public offering, at that time the highest biotechnology IPO in history. CEO Chang and then Chairman of the Board Osama Mikhail sponsored the engagement.

Dr. Chang, who was seeking to the Board Chair role and out of the CEO role in the near term, had played an active hands-on role in bringing the company's primary product, asthma drug Xolair, to market, gaining FDA approval and in forging marketing alliances with Genentech and Novartis to sell Xolair. Lei Zhong, analyst with Bank of America Securities LLC, wrote in a recent research report that, "Xolair has blockbuster potential given the size of the asthma market and sales could reach \$1.4 billion in 2010." Secondary objectives for the engagement were to build the capabilities of the extended management team and, in so doing, improve the working climate across the company.

### **Our Approach:**

- Launched the *Creating Executive Value* assessment and development process for CEO and Executive Committee.
- Provided individual executive coaching for CEO and her top four executives.
- Used *Top Team Check* for Executive Committee and team coaching to create clarity, increase the capabilities and improve the commitment of the senior leadership team.
- Conducted the *Creating Executive Value* assessment and development process for key next-level directors.



*Assisting executives and top teams in becoming their best*

**The Results:**

Each leader improved targeted leadership behaviors, styles and the climate created for others. Clarity, collaboration and team work improved. The succession plan was seamless and a success. In late 2005, the Board named then Vice President, Strategy and Corporate Development, Danong Chen, to succeed Chang as President and CEO. Ed Hu, formerly Vice President, Operations, was named COO.

On August 3, 2007, Genentech, Inc (NYSE: DNA) a leading biotechnology company, completed the acquisition of Tanox, entitling Tanox shareholders to receive \$20.00 in cash per share of common stock, for a total cash value of approximately \$919 million.