

# ***Ethics, Culture and the Lessons of Theranos***

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Credit: HBO

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BUSINESS

## Hot Startup Theranos Has Struggled With Its Blood-Test Technology

Silicon Valley lab, led by Elizabeth Holmes, is valued at \$9 billion but isn't using its technology for all the tests it offers

By John Carreyrou

Updated Oct. 16, 2015 3:20 pm ET






On Theranos Inc.'s website, company founder Elizabeth Holmes holds up a tiny vial to show how the startup's "breakthrough advancements have made it possible to quickly process the full range of laboratory tests from a few drops of blood."

The company offers more than 240 tests, ranging from cholesterol to cancer. It claims its technology can work with just a finger prick. Investors have poured more than \$400 million into Theranos, valuing it at \$9 billion and her majority stake at more than half that. The 31-year-old Ms. Holmes's bold talk and black turtlenecks draw comparisons to Apple Inc. cofounder Steve Jobs.

But Theranos has struggled behind the scenes to turn the excitement over its technology into reality. At the end of 2014, the lab instrument developed as the linchpin of its strategy handled just a small fraction of the tests then sold to consumers, according to four former employees.

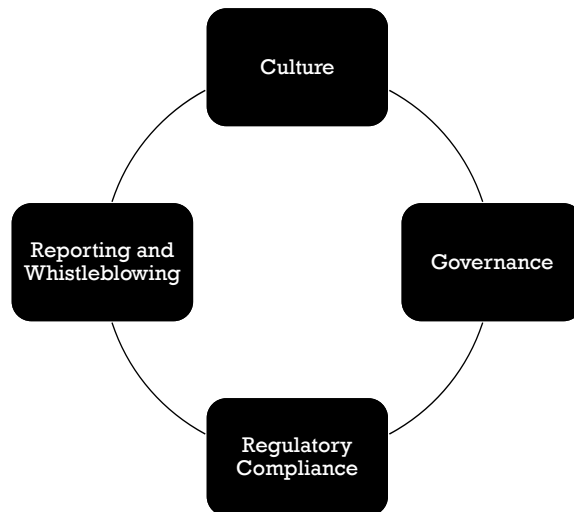
One former senior employee says Theranos was routinely using the device, named Edison

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## Dimensions to the Theranos Story



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# Reporting and Whistleblowing

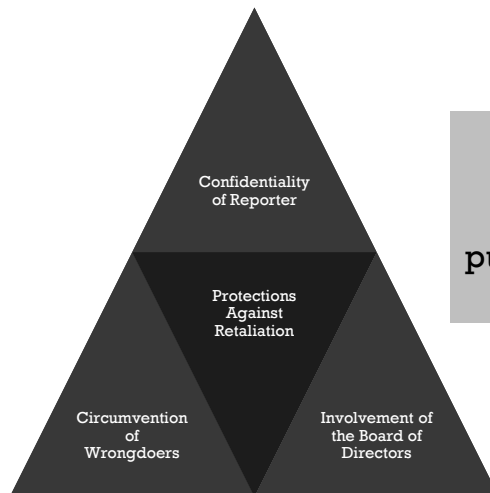


Credit: Myung J. Chun / Los Angeles Times

Tyler Schultz and Erika Cheung

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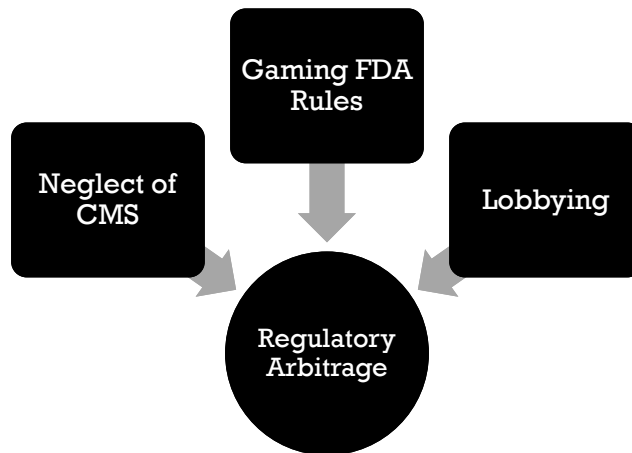
# Reporting and Whistleblowing



NDA in Theranos...  
overly broad language  
public policy protections limited  
*Defend Trade Secrets Act*

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# Regulatory Compliance



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## WSJ | OPINION

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OPINION | COMMENTARY

### *How to Usher In a New Era of Preventive Health Care*

People should be able to get any lab test on their own. Waiting for symptoms and a doctor's order may be too late.

By Elizabeth Holmes  
Updated July 28, 2015 7:39 pm ET



PHOTO: GETTY IMAGES

Laboratory tests drive 70% of all clinical decisions in health care. They're used to determine whether a patient should start taking medication and, if so, which one. They help doctors decide whether a patient should undergo medical procedures or be admitted to the hospital. And they're used to identify an individual's risk of developing health conditions such as diabetes or heart disease.

Yet many of us get lab tests only when we're showing symptoms, which means we may already be sick. And too many of us find out we're sick when it's too late to change the course of these conditions.

*It's time to move away from reactive health care. Individuals instead need to be empowered*

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# Governance

Startup/VC Ecosystem

Influence of Elizabeth Holmes

Homogenous

Lack of Expertise

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**Harvard  
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## When and Why Diversity Improves Your Board's Performance

by Stephanie J. Creary, Mary-Hunter ("Mae") McDonnell, Sakshi Ghai, and Jared Scruggs  
March 27, 2019

THE CONFERENCE BOARD



## Leadership, Governance, and Accountability

A Pathway to a Diverse and Inclusive Organization

RESEARCH REPORT  
R-1429-08-RR

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# Culture

“fake it till you make it”  
“move fast, break things”  
lone cowboys [sic]  
“product traction”  
“product momentum”  
innovation as an end in itself

**External**

**Internal**

excessive risk taking  
over-optimism  
fear  
intimidation  
isolation  
aversion to truth

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Questions and Comments

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