



PROJECT MANAGEMENT IN CHANGING TIMES
Chaired by Uwe Huedepohl & John Shatwell (AstraZeneca)

PIPMG - Pharmaceutical Industry Project Management Group
Spring Meeting - 15th May 2002 – Renaissance Hotel, Solihull

Project Management Performance in a Changing World

- Introduction to the Interactive sessions

Uwe Huedepohl (AstraZeneca)

Some external perceptions of a Project Manager's role were summarised in a few well chosen quotations :

- Line Manager 1 : *"You guys are all control freaks."*
Physician : *"So what you do is sit at a desk and shout down the phone ?"*
Child : *"Oh... so you're like my teacher, right ?"*
Spouse : *"I hope you're better organised at work than you are at home !"*
Line Manager 2 : *" All you do is add to bureaucracy"*

Project Managers operate in a changing world and questions like "What is a Project Manager ?" lead to further uncertainties. We need to clarify :

- The scope of a PM's responsibility
- Attributes of an effective PM
- Performance measures for PMs
- How to acquire and develop new PMs

Delegates were divided into 8 groups, based broadly on the type of PM work they do (size/type of company, development stage). Each group defined a typical area of responsibility and ideal attributes for a PM in their field - then in a second session suggested ways to acquire, develop & measure the performance of such a person.

Groups :

- 1 Biotech companies
- 2 Medium size global companies
- 3 Consultants to the Pharma industry
- 4 Technology companies – delivery systems & devices
- 5 Large Pharma companies
- 6 Large Pharma companies
- 7 Early stage projects and contract companies
- 8 Large Pharma companies

The delegates generated hundreds of points which have been collected into a spreadsheet that allows selection by group and topic. This should provide a valuable resource for any PM group reviewing selection, competencies or performance. One of many possible views of the data is

presented here by comparing and contrasting the responses of groups 1,3,4&7 (smaller, earlier stage, more technical) with those of groups 2,5,6&8 (larger, later stage).

Q1 What is the scope of a PM's responsibility ?
(Role, Scope, Accountabilities, Interfaces)

<i>Common findings</i>	<i>Small Co.s</i>	<i>Large Co.s</i>
<ul style="list-style-type: none"> ▪ Variable responsibility for budgets & contracts (line vs. project) ▪ Interface between Team & Stakeholders 	<ul style="list-style-type: none"> ▪ Lack of role-clarity (e.g. 'accidental' appointment) but less process ▪ Broad range of scope & duration ▪ Facilitation of team activity to a 'kill' or progression <ul style="list-style-type: none"> ▪ Third parties often involved 	<ul style="list-style-type: none"> ▪ Clear accountability <ul style="list-style-type: none"> ▪ Delivery-focus ▪ Well defined matrix management role ▪ Longer, more global projects & programmes (PoC to Lifecycle mgt.)

Q2 Attributes of an effective PM ?
(Know-how, Personal Qualities, Leadership, Influence, Achievement)

<i>Common findings</i>	<i>Small Co.s</i>	<i>Large Co.s</i>
<ul style="list-style-type: none"> ▪ Most attributes are common <ul style="list-style-type: none"> ▪ 'PM toolkit.' ▪ Broad knowledge of team functions. ▪ Risk mgt. Decision-skills <ul style="list-style-type: none"> ▪ Flexible, Pragmatic. ▪ Organised/analytical but see the big picture ▪ Motivation, confidence/courage <ul style="list-style-type: none"> ▪ Stakeholder management <ul style="list-style-type: none"> ▪ Communication 	<ul style="list-style-type: none"> ▪ Facilitation ▪ Technical knowledge. <ul style="list-style-type: none"> ▪ Team building. ▪ Aware of individual situational needs 	<ul style="list-style-type: none"> ▪ Product orientation <ul style="list-style-type: none"> ▪ Commercial understanding <ul style="list-style-type: none"> ▪ Authority

Q3 How to measure PM Performance ?

(Project performance, Metrics, Communication, PM performance)

<i>Common findings</i>	<i>Small Co.s</i>	<i>Large Co.s</i>
<ul style="list-style-type: none"> ▪ Delivery against milestones, budget, target profile ▪ Identification and handling of issues - avoid surprises ▪ Reward appropriate kills ▪ 360° review (team & stakeholders) 	<ul style="list-style-type: none"> ▪ Speed & cost to right decision ▪ Accurate reporting ▪ Get HR to attend some meetings. 	<ul style="list-style-type: none"> ▪ Productivity (Deliverables per \$ or FTE) ▪ Are issues re-visited ? ▪ Analyse communication breakdowns.

Q4 How to acquire and develop new PMs ?

(Sources, Career-development, PM best practice)

<i>Common findings</i>	<i>Small Co.s</i>	<i>Large Co.s</i>
<ul style="list-style-type: none"> ▪ Need relevant Pharma experience ▪ Variable views on value of external accreditation <ul style="list-style-type: none"> ▪ Career path to PM manager/mentor ▪ Internal recruits have established networks 	<ul style="list-style-type: none"> ▪ From Research or Line functions ▪ Move to more complex projects ▪ Experience builds better line managers ▪ Best Practice support from PIPMG, APM, PMI. 	<ul style="list-style-type: none"> ▪ From Commercial or External ▪ Can PM become Project Leader ? ▪ Variable views on external or other industry recruitment

Global Project Management - Introduction

John Shatwell (AstraZeneca)

While culture, language & distance may present the most obvious barriers to developing and building a globally distributed team, there are other significant challenges. Development of a truly global product will require resolution of international differences in market needs, regulatory requirements and quality standards. Apart from the logistical & commercial factors, operating in a global team places pressure on the work-life balance of team members.

Delegates brainstormed the challenges that faced them in establishing high performing global teams :

- Geography
 - Travel time and work/life balance
 - Local inconsistency in travel budget policy
 - Cross-site differences as important nationally as trans-nationally
- Corporate culture
 - Impact of mergers
 - Local variation in line vs. consensus decision making
 - Business drivers – consistency of strategic objectives around market-aligned goals
 - Balancing commercial/operational requirements
 - Global vs. local Project priority and resourcing across different countries
 - Reliance on blockbusters at expense of local opportunities
 - Balancing dominant influence of US market opportunity with RoW.
 - Integration of Japan
 - Overlay of country/region goals/politics
- Social culture and its impact on communication and team building
 - Building relationships in virtual teams
 - Different approaches to working
 - Different approaches to negotiating
 - Different perceptions of outcomes to meetings
 - Languages, different meanings to same words
 - Mixing of social philosophies
 - Social diversity
 - Inconsistency in motivation and reward across country/region
- Time differences
 - Achieving global coordination
 - Working across time zones
 - Practical communications – especially VC, telephone, NetMeeting etc
- National differences
 - Meeting local Regulatory requirements
 - National pricing/reimbursement mechanisms e.g. NICE
 - Variations in quality standards and impact on sourcing
- In-licensing
 - Trans-national Partner management
 - Competition for small number of opportunities
 - Global resourcing of candidate compounds

The three afternoon speakers each brought different insights into Global PM :

- Co-development with international partners
- Establishing a PM Support function in a globally distributed company
- Experience with global projects in the Oil & Gas industry

Working in Global Alliances

Tom Halliwell (Hoffmann La Roche)

Over the last 10 to 15 years, Biotech companies have evolved from being fully integrated companies in their own right, passing through a stage when their inventions were simply outlicensed, to formation of alliances with major Pharma companies. While scientific and technical issues still present the biggest challenges, the structures and processes of the partner and pharma companies can be major barriers to success.

Asymmetric governance of projects creates an adversarial climate that is not conducive to flexible product development. More likely to succeed is a Joint Project Team overseen by a Joint Board or a separate Joint Venture Company. Elements of 3 such agreements were described and their common success factor was having balanced joint teams. The key learnings can be summarised under 4 headings :

Joint Project Team Structure

- Early appointment of a leader provides a clear focus
- Roles & responsibilities should be in the contract
- Clarify where ultimate authority lies
- Equal empowerment of members from each company
- Each team member has opposite number as a first point of contact
- Form sub-teams for detailed issues within functions (eg CMC, Clinical, Commercial)

Team Member selection

- Different criteria from in-house teams – provide special training
- Need flexibility, pragmatism & enthusiasm
- Tolerance of ambiguity, sensitivity to culture-differences, negotiating skills
- Excellent communication skills – understand national & company cultures
- Consider the image of your company that you wish to present

Communication is critical

- Aim to unify thinking at all levels (vision, goals, plan, activities)
- Set up both formal & informal channels early - Pick up the Phone !
- Regular & frequent meetings – no real substitute for face-to-face
- Early agendas (≥ 3 days) & rapid production of minutes (≤ 5 days)
- Keep status, issues, budget & strategy visible
- Knowledge sharing (ideally with a secure web-based platform)
- Avoid team turnover and maintain a project history

Business Objectives, Process & Practice

- Know the contract inside-out
- Define clearly the project's scope, deliverables & operating limits

- Understand each company's management structure & decision-making process
- Use senior boards to resolve major differences – inform & request sign-off
- Understand both sets of business objectives & goals – Aim to align them
- Still 2 companies - maintain distance where necessary – “need-to-know” policy
- Two budgeting systems will be complex - Finance depts should collaborate
- Avoid unreasonable requests and ‘blindsiding’

Global Project Management in Big Pharma

Roy Eady (AstraZeneca)

The merger of Astra and Zeneca in 1999 involved more than just two company or national cultures – Astra consisted of several therapeutic subsidiaries with sufficient autonomy to evolve their own cultures and systems. Furthermore, the new company had no Project Management line function and the value of PM had yet to be recognised. There were a multitude of legacy systems – many of them incompatible.

At the same time, around 500 people in the company had a PM-role, and there was a need for increased efficiency, project-success and resource/budget control. The need for a PM support function was clear to many but it was going to be a ‘bottom-up’ process and the financial value would have to be demonstrated to senior management.

The first step was a benchmarking exercise, undertaken using an external consultant, to assess the degree of PM maturity within the merged company. Maturity was assessed in terms of :

- Readiness of the organisation to accept a PM culture-change
- Prevalence of PM processes
- PM experience in the workforce
- Degree to which PM processes were implemented and accepted

A total of 750 staff were invited to participate in a questionnaire – a third of these were completed. This was followed by structured interviews with senior staff and a workshop for a core group.

The maturity model indicated that although the project management role was recognised and some systems/processes were available, experience was limited.

At this stage, then, there was a framework for effective PM but room for improvement & consistency in PM competence & implementation, and in the perception of the PM role. There was a need for a project focus, simplified tools & processes and some organisational learning. Understandably, AZ was suffering from “change fatigue.” A plan to achieve a higher maturity level was based on creating a centre of excellence with the co-operation and trust of all the related functions in the organisation. The PM Support Office was finally established by 2002 with the following responsibilities for the organisation, people and processes :

- Maintain guidelines & standards - provide a helpdesk facility
- Provide PM expertise & co-ordinate PM training & development
- Provide repository of project knowledge & PM experience
- Provide data on status & history of projects & project processes
- Provide data on resource requirements & utilisation (wrt project priorities)
- Ensure compliance with internal best practice & quality standards
- Lead development, implementation & improvement of PM processes & tools

The benchmarking exercise was simple and a key factor in convincing the organisation. It was essential to get sponsorship from senior staff. The PM Support Office has been implemented by the appointment of a small permanent core group with a significant budget – with the aim to facilitate improvement of project delivery and return a number of staff to productive project work.

Global Project Management : Experience from another global industry

Andrew Arzymanow (Pfizer)

Oil & Gas projects have several similarities to Pharma projects in terms of costs, timeframes & phases, large global teams, and a high degree of regulation. The PM culture in the Oil & Gas industry is quite different, however, with clear single point accountability of a Project Manager/Leader, a strong Project-focus (i.e. team rather than line-management) and robust centralised control. Some of the positive defining features are :

- PM accountable (regardless of circumstance) & team responsible to PM
- Project (Manager) holds budget & resources, including subcontracts
- PM meetings with senior Mgt are regular, short, & concentrate on variances
- A single Project Plan with integrated tracking of progress, changes, costs
- Team-building is important (“Can’t spend too much”) – co-location is the norm
- Role definitions and goals are very clear and re-inforced by incentive schemes
- Informal communication is very strong (but doesn’t amount to gossip !)
- Team language is commercially orientated (goals, profit/loss)

The less positive features include :

- Covert prioritisation of projects at a senior level
- Downsides of accountability & responsibility (“fear-culture”)
- Robustness of team language may not be inclusive & politically correct
- Goals may dominate over technical needs
- Consensus is not regarded as essential
- Some way to go in project lifecycle management

Few PMs would disagree that the project-focus indicates a mature PM culture but a preference for one approach or the other is a philosophical question. Nevertheless, many would agree that Pharma PM could benefit from :

- Single point Project responsibility cascaded appropriately to the team
- Fully integrated Project Control Systems
- A sound process for estimating (duration, cost, feasibility)

These would require a greater appreciation and understanding of the role of PM and a painful cultural shift from scientific line-functional to business/project dominance within Pharma companies. In practical terms, PM standards & systems would need to be embedded in the companies' operating practices – a more flexible approach might be required in the early stages of development.

The catalysts for achieving a high performance project culture may be the factors detailed at the May 2001 PIPMG meeting – increasing costs, decreasing prices, and changing structure of the industry.

Next Meeting – 5th/6th November 2002

Mark Christodoulou (Powderject)

Having focussed on the question of what makes a good project manager, the November meeting will explore one of the major elements that make up a project manager's toolkit - planning. It must be stressed that this will not be a review or appraisal of project management / planning software - rather it will focus on attitudes to planning. Facilitated interactive sessions will explore what it is we plan in the Pharmaceutical Industry, who actually does the planning, how the planning is done and whether there are any differences between the various sectors of the industry (biotech, small pharma, big pharma, virtual pharma and so on).

Following feedback from the interactive session we will have a series of talks that will explore how project managers from other industries tackle planning. Insights into planning in the construction/engineering and IT industry as well as an area of the Pharmaceutical Industry we don't often focus on at PIPMG, Pharmaceutical Manufacturing, will lead into a second round of facilitated interactive sessions to explore whether there are any planning "lessons" the Pharmaceutical Industry can learn from the other industries and if there are differences, consider why these differences exist.

The November meeting will also include the next Annual General Meeting of the PIPMG. A more detailed agenda and location will be circulated in the Summer.

Phil Dolamore 10th June 2002