

Survey Results: Identifying the Right Project Manager for Your Alliance

In September 2008, Integrated Project Management Company, Inc. (IPM) conducted a survey with alliance management and business development professionals to define the optimal skill sets and characteristics that they felt project managers should exhibit within an alliance environment to ensure a successful partnership. Following are the survey results.

Background: The Biotech and big Pharma worlds have a long history of collaborating their individual strengths of research and commercialization to deliver new technologies to the market. With over half of today's top-selling drugs resulting from Biotech/Pharma partnerships¹, managing these collaborations is as critical for success as building top-notch, in-house research teams quickly to commercialize products. While dozens of new collaborations and alliances are created annually, it is estimated that up to 50% will fail to meet projected expectations; primarily due to an essential need for improved alliance management.² Alliance integration management is the combination of not only the partners' tangible assets, such as people, capital, and property, but also the intangible, such as culture.

IPM has more than 20 years of project management consulting experience and works with numerous Life Science companies, from small Biotech startups to big Pharma Fortune 500 companies. IPM, therefore, has a strong base of knowledge and experience in executing projects within the Biotech/Pharma alliance management environment, as well as a vested interest in helping these alliances stay on track or rescuing others from the brink of collapse through our project level focus.

Key Findings: In identifying key skills required by an alliance project manager (APM), respondents overwhelmingly (94%) felt that strong interpersonal skills were required to be the ideal APM.

- 75% felt that an in-depth knowledge of development and commercialization was critical, versus being the subject matter expert in the technical nuances of a specific alliance.
- 90% felt that this knowledge should be coupled with strong business acumen – knowing the business drivers, agreements, and contracts that are critical to the strategic partnership; indicating that the critical leadership qualities that enable an APM to navigate and build a successful alliance are equally as relevant as the general knowledge of the commercialization and business processes.
- A minimum understanding of the roles and responsibilities of an alliance's functions was also underscored, with resource management ranking as the top responsibility of the APM.
- Although the survey looked at different points within the alliance process (initiation versus execution), respondents defined assertiveness, delegation, and meeting management as the most critical skills throughout all stages.
- Overall, 94% of the respondents felt APM skills versus responsibilities were more critical in driving the alliance to success.

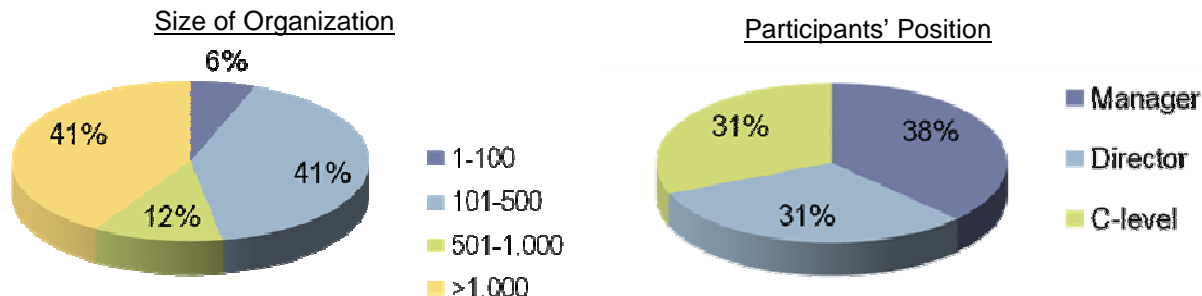
Conclusions: Relationships are a major factor in ensuring the success of an alliance. In general, the survey results depict that the ideal APM should exhibit strong interpersonal skills coupled with a broad background of industry and business experience. In addition to proficiency in long established project management responsibilities (e.g., resource and quality management), respondents indicated that APMs should have a solid understanding of the industry from both a business development and commercial perspective.

In an alliance, the relationship is everyone's responsibility and, without it, success is jeopardized. Identifying or hiring the right project manager is critical to the success of an alliance project and delivering the expected results.

For further information about IPM's research, survey results, or project management experiences within alliances, please contact Chad Nikel, PMP, Director of Strategy and Business Development, at (630) 789-8600 or cnikel@ipmcinc.com

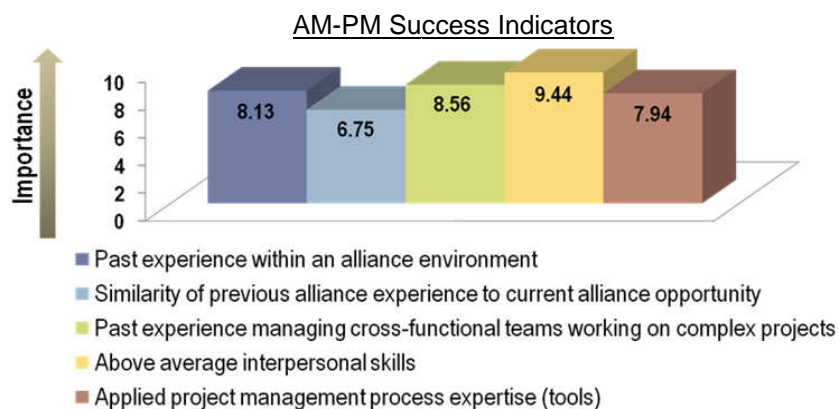
Survey Results Appendix

We greatly appreciate the input from leaders of 13 different Life Science companies. The individuals and companies that participated in the survey represent various positions in a cross-section of Life Science organizations.



What follows is a summary of the survey questions, results, and interpretive notes based upon our experiences.

Question: On a scale of 1 to 10, rate the relevance of each statement in indicating the success of an alliance project manager.

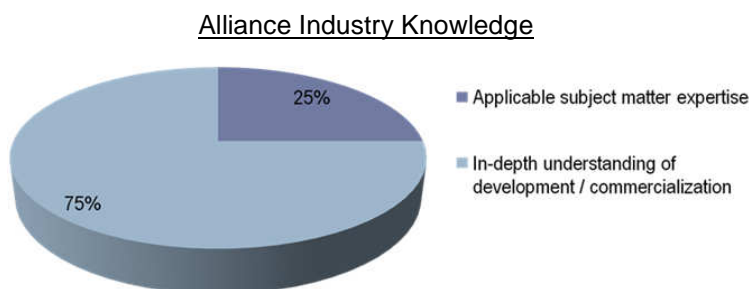


Conclusion: Most respondents ranked above average interpersonal skills as top priority for an alliance project manager, feeling that “people skills” are most critical in managing alliances. This is not surprising, since the ability to personally connect with individuals is often the first step in establishing credibility within a new group, especially absent any opportunities to prove oneself through performance. As

highlighted by our respondents, a proven record in managing internal, complex, cross-functional projects, where objectives may not always be aligned across functions, provides substantial insight into the adequacy of a project manager’s interpersonal skills. Lastly, some experience within an alliance environment is a plus in ensuring the project manager recognizes the added complexity of involvement from multiple organizations.

Question: Which best describes the type of industry knowledge required to be a successful alliance project manager?

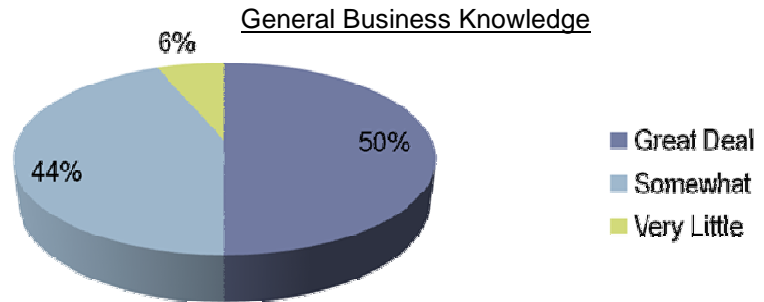
Conclusion: Though subject matter expertise (therapeutic, hardware, marketing and sales, software, etc.) that is directly related to the specific alliance is appreciated, three quarters of our respondents noted that an in-depth understanding of the development and commercialization process is imperative. Since both partners are bringing their respective core competencies to the table, it can be assumed that the individual project teams are fully staffed with subject matter experts. Therefore, the role of the alliance project manager is more focused on providing the team with direction and ensuring progress throughout the development and commercialization lifecycle.



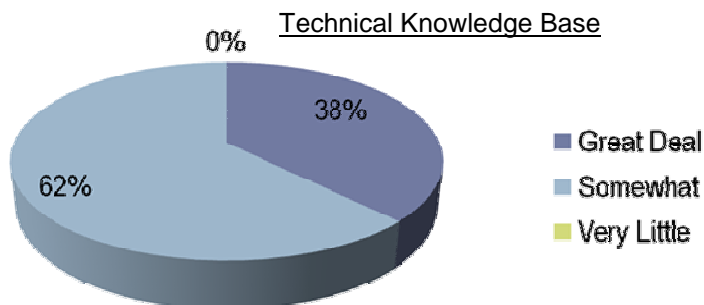
Question: How critical is the alliance project manager’s understanding of general business concepts as they relate to the alliance?

Conclusion: More than 90% of respondents felt that, in addition to technical acumen, a strong grasp of the business drivers, contracts, and agreements is critical to ensuring the effectiveness of the alliance project manager.

A firm understanding of the overarching business drivers for the strategic partnership is a prerequisite for developing an accurate team charter and scope statement at the project level. Additionally, the alliance project manager must have an understanding of the underlying intentions in order to facilitate a project team through differences in interpretation and/or conflict. Without this knowledge, the team may become overly reliant on the alliance’s governance structure for direction at a more tactical level.



Question: To what extent does an alliance project manager’s success require knowledge of the traditional roles, responsibilities, and resource capabilities assigned to the project?



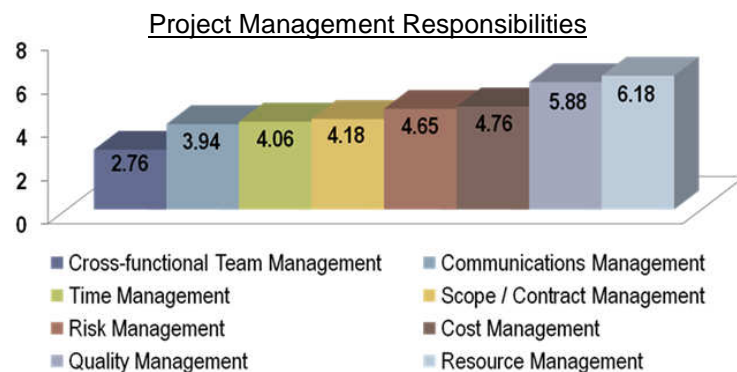
Conclusion: There was consensus that an alliance project manager must minimally have an understanding of the roles and responsibilities of the alliance’s assigned functions (clinical, safety, technical development, engineering, etc.).

Consistent with IPM’s experience, some level of understanding is required to structure the requisite level of

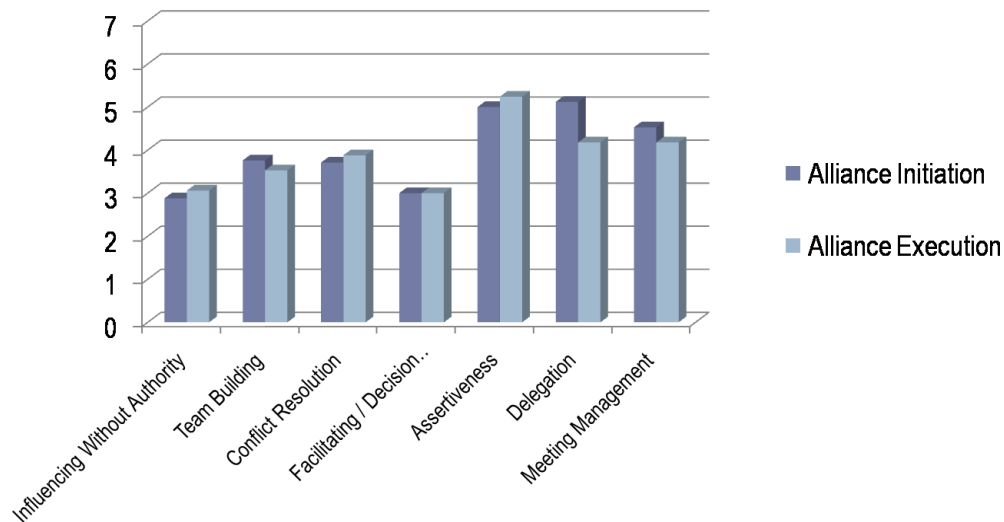
interconnectedness across the functions, which is increasingly important within an alliance project. Due to subtle or even substantial differences in alliance partners’ business processes, it is the role of the alliance project manager to account for these differences; identify gaps in roles, responsibilities, and capabilities; and, ultimately, ensure all bases are covered.

Question: Rank the following project management responsibilities by level of importance within an alliance project.

Conclusion: Resource management, which entails ensuring the right mix of skills and capabilities are both known and available when required, was ranked most important by our survey respondents. Quality management, providing a deliverable that meets all stakeholder needs, was ranked a close second. Within an alliance project where numerous parties at different geographic sites are contributing resources, and the number of stakeholders is typically greater than that of a project within one organization, it was not surprising that these two skills ranked high. However, it is remarkable that cross-functional team management, ranked as one of the highest rated success indicators of an alliance project manager in a previous question, is ranked low in this question related to responsibility.



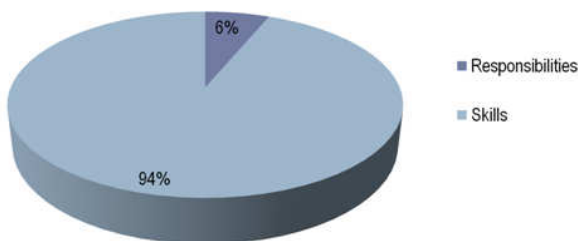
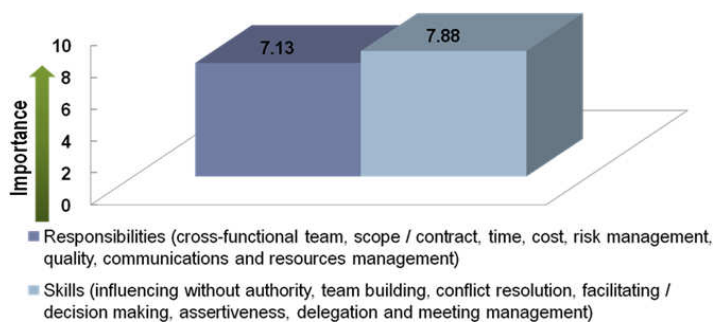
Question: When *initiating* an alliance and when *executing* within an alliance, rank the following skills by level of important from an alliance project manager’s perspective.



Conclusion: While it is recognized that project management needs vary throughout the lifecycle of an alliance project, assertiveness, delegation, and meeting management were consistently highlighted as critical skills for an alliance project manager. While assertiveness was more important during execution, delegation and meeting management were seen as more important during the initiation phase of the alliance project. At the onset of a project, the team often meets frequently to develop a strategy and a plan that is then coupled with the delegation of project responsibilities to team members. Afterward, meetings are often narrower in scope, e.g., status check meetings or meetings to refine an approach. Delegation of additional responsibilities to team members then develops into an as-needed basis. During execution, the focus shifts to doing the prescribed work; therefore, a high degree of assertiveness is required to ensure an environment of accountability.

Question: Are project management responsibilities or skills more important to ensuring the success of an alliance project?

Conclusion: Proficiency in project management responsibilities and skills were both ranked high by our survey participants as key to ensuring the success of an alliance project, with skills having a slight edge. However, when asked to select one over the other, respondents chose skills by a large margin (see graph below).



This may be explained by what was defined as project management skills – “soft skills” that are either inherent to an individual or learned over an extended period of time. Our survey respondents may feel that an alliance project is not an environment for substantial professional development in this area.

Survey Conclusions: Relationships are a major factor in ensuring the success of an alliance. In general, the survey results depict that the ideal alliance project manager should exhibit strong interpersonal skills coupled with a broad background of industry and business experience. In addition to proficiency in long-established project management responsibilities (e.g., resource and quality management), respondents indicated that alliance project managers should have a solid understanding of the industry from both a business development and commercial perspective.

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1. "Pharmaceutical Alliance Management" August 22, 2008. Reuters. Accessed September 22, 2008.

<<http://www.reuters.com/article/pressRelease/idUS76235+22-Aug-2008+BW20080822>>.

2. "Learning the Biopartnering game: How to achieve more from you biotech alliance." IBM Business Consulting Services. October 2004.