

Growing Your Project Management Capability

Summary

The Life Sciences Industry, globally, is in the midst of very challenging times. The activities of the industry are under increasing scrutiny from patients, regulatory agencies, legislative bodies, and investors. Despite this unprecedented level of examination, the industry continues to plow record amounts of money into R&D. Project management has become a key strategy for shepherding these dynamic R&D investments to completion on time, within budget, and to all stakeholders' expectations. But what is "project management"? Is it a group of project managers specifically designated to provide direct support to projects? Is it an information technology that supports project execution from within an organization? Or is it simply the organization's capability to systematically and effectively prioritize and carry out projects with maximum efficiency and quality? At Integrated Project Management Company, Inc. (IPM), we view project management as *the blend of direct support to projects and enabling support to the organization.*

Over the past few years, numerous clients have asked IPM to assess their respective project management capabilities and develop plans to increase their organization's ability to execute projects efficiently. IPM approached these assessments from a view of project management closely aligned to the four conditions for project success from the recent NASA Project Management Challenge:

1. You can't succeed if you can't manage the work, people, customer, and environment.
2. You can't manage these project elements if you can't measure their current state, their desired end-state, and the progress being made toward that end-state.
3. You can't measure these states if you can't define what they are in some units meaningful to all the participants.
4. You can't define these units of measure unless you understand the technical, operational, human, business, and political aspects of the project.

The results of these individual assessments were incredibly eye-opening and useful for the specific clients. But, we wondered, what if we took the cumulative data, combined it, rearranged it, and analyzed it to compare between types of companies (e.g., Pharmaceutical, Medical Device, Biotech, and a Non-industry Control Group)? What new information would we learn about organizational capability to carry out projects?

For this purpose, we grouped our findings into three primary areas that drive organizational success: Core Project Management Processes (plan and schedule management, budget management, scope management, and quality management); Execution Enablers (communications, team dynamics, information management, and lessons learned); and Organizational Alignment (governance and business objectives). This paper provides the summary data and IPM's interpretive notes from our experience in working with over 45 different Life Sciences organizations.

In general, there is room for improvement in all three success areas. Many project managers perform as a discrete project leader and organizer. However, there is a significant need to also play the role of organizational change agent. With a view of cross-functional, multi-level interactions and more ambiguous impediments; we believe project managers are best equipped to bring disparate groups together to solve these issues.

Method

The data represented in this report was collected over a three year period from a total of eight organizations that are segmented as follows:

- Pharmaceutical/Medical Device: 3
- Biotech: 3
- Non-industry Control Group: 2

The Biotech companies are young organizations, having existed less than 20 years, and include both small and established players. Both the Pharmaceutical/Medical Device and Non-industry Control Group organizations are well established players within their respective space.

All of the data within this study was collected through formal organizational assessments administered by an experienced IPM project manager. Data collection was accomplished using a mix of research mechanisms:

- Self-assessments were administered to and completed by project staff. For self-assessments, a close-out discussion was conducted to ensure proper understanding and intent of responses;
- Individual and group interviews were conducted with executive management, project leaders, and project team members;
- Observations were made in informal operating environments, as well as formal project venues.

Regardless of the mechanism utilized, the objective of the assessment was to obtain a detailed understanding of 1) the environment with which the various functional groups collaborate to complete projects and 2) the processes, tools, and management structures used to support this project work. The data was then consolidated to identify the organization’s most pressing project execution performance gaps. Recommendations were made for short-term improvements that would create organizational momentum, as well as longer-term enhancements that would require focused efforts to effect the organizational change needed.

Definitions

The assessments evaluated project success factors, but each was tailored to the organization’s unique requirements, priorities, level of maturity, etc. The following success factors were evaluated commonly across the organizations:

Category	Success Factors
Core Project Management Processes	<ul style="list-style-type: none"> • Plan and Schedule Management • Budget Management • Scope Management • Quality Management
Organizational Alignment	<ul style="list-style-type: none"> • Governance • Business Objectives
Execution Enablers	<ul style="list-style-type: none"> • Communications • Team Dynamics • Information Management • Lessons Learned

→ While it is recognized that a broader list of success factors could be used (risk management, change control, etc.), these were selected to allow comparisons of companies at different maturity stages. Data was rolled up into three broad categories.

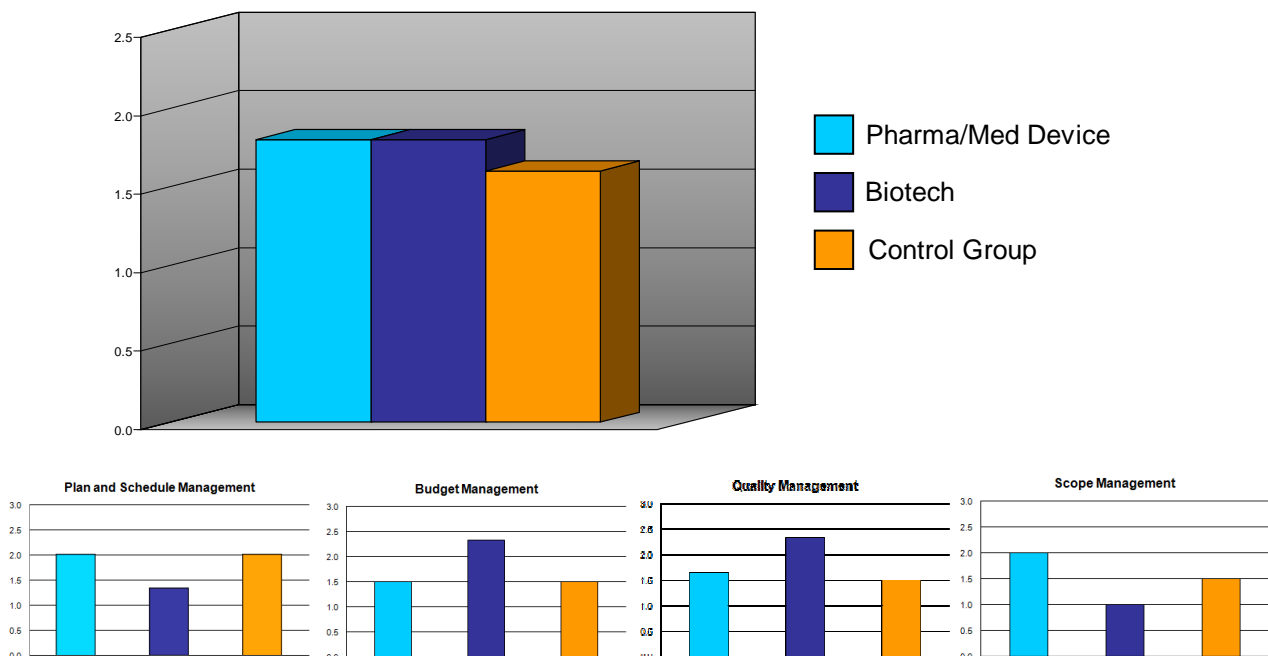
Data Analysis

All data was normalized to a 1 through 3 scale, with 1 = poor (needs significant improvement); 2 = fair (room for improvement); and 3 = good (best practice and proof that the system is self-regenerating).

Core Project Management Processes: processes, tools, templates, and the discipline to use them to execute project work.

- *Plan and Schedule:* defining who, what, when, and how all activities interrelate.
- *Budget Management:* defining and managing the resources required to get the job done.
- *Scope Management:* defining and managing the boundaries of the initiative.
- *Quality Management:* ensuring the projects meet the needs of the stakeholders.

Core Project Management Processes



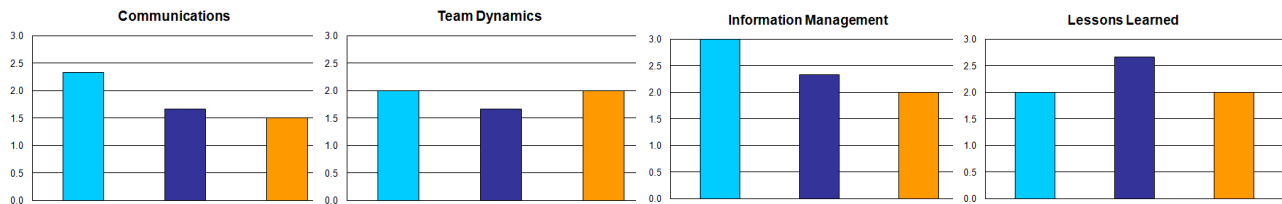
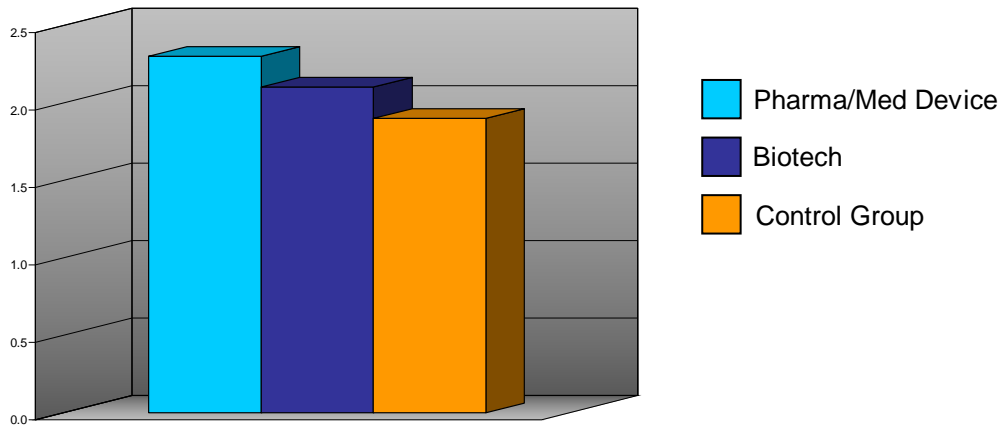
Interpretive Notes

- Pharma/Med Device and Biotech are more sophisticated in this area. This can be partially attributed to the maturity of project management and focus to investment in training and tools (software, etc.); but it is most likely due to the formality required to manage more complex project portfolios.
- Both Pharma/Med Device and Biotech are more sophisticated than our Non-life Sciences Control Group, even though Biotech is typically newer and less mature. We believe this is due to Life Sciences' investment in project management to manage the significant technical relationship and execution risk inherent in this highly regulated environment.
- Dedicated investment by Pharma/Med Device and Biotech has enabled them to advance the core project management processes over the Non-life Sciences Control Group, but they have yet to achieve a rating of 2, fair/competent.

Execution Enablers: environmental and supportive infrastructures that make collaboration and continuous improvement possible.

- *Communications:* the formal and informal information flow throughout the organization about projects.
- *Team Dynamics:* a measure of team cohesion and collaboration.
- *Information Management:* the systems in place to manage information and ensure that it is available to all team members.
- *Lessons Learned:* the process in place to 1) capture lessons and 2) to apply those lessons to enhance organizational capability.

Execution Enablers



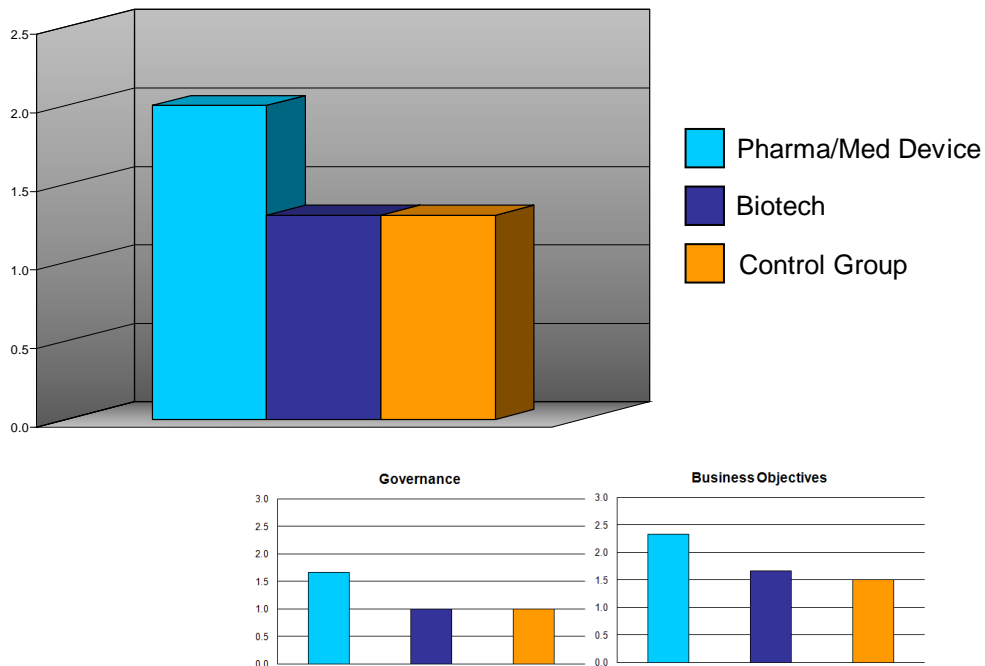
Interpretive Notes

- All three groups are doing reasonably well in this area. Why? These are the basics of good management: ensuring that the staff receives and has ongoing access to the information required to do their job, and employees feel their contributions are valued.
- Although there is some room for improvement, communications and team dynamics do not appear to be a roadblock for any of our assessed organizations to advance their organizational capability.

Organizational Alignment: structures and processes that ensure and maintain alignment from the boardroom to the lab bench.

- *Governance:* the clarity of the top-down and bottom-up decision-making and issue resolution processes from the project team to senior management.
- *Alignment to Business Objectives:* individual and team understanding of how their work ties back into corporate objectives and how well priorities are set throughout the organization.

Organizational Alignment



Interpretive Notes

- Pharma/Med Device is significantly more aligned organizationally than both Biotech and the Control Group. The complexity of a large corporation and a broad portfolio requires formality in processes and decisions. While this may be seen as cumbersome by smaller, more nimble organizations; it provides a series of checks and balances along the way, and leaves a definitive legacy of which projects were chosen to be pursued, why a decision was taken, and a mechanism for ensuring the message gets out to all employees.
- Biotech surprisingly scored significantly lower in this category. While there may be less complexity within these organizations, too much informality may prove to be a disadvantage. We hear from the ranks “It’s so frustrating, our direction is always changing.” What we actually observed is that many decisions were made on the fly, priorities continuously changed, and communicating the new direction was an oversight.
- An increased focus to ensuring better organizational alignment will help Biotech achieve greater parity with Pharma/Med Device, but will a rating of “fair” be good enough?
- Overall, it is disappointing that many organization’s employees seem to be “rowing against the direction of the ship.”

Other Observations

So how do we evolve project execution efficiency and ultimately the throughput of an organization? That is why project management was invested in to begin with, right? However, if project managers continue only to be deployed to projects, how will they have the bandwidth to enable organizational capability? Moving forward the project manager will need to continue to be the subject matter expert on project management practices, tools, and skills; as well as broaden their role to include:

- Directing the effort to increase organizational capability – be a change agent. Ensure that we have buy-in from leadership.
- Helping others in the organization to understand the landscape beyond their immediate function and how they can better manage projects to meet the organization's needs. Demonstrate by doing and training on best practices, tools, techniques, etc.
- Attaining balanced progress at all levels of the organization, in all three success categories; core project management processes, organizational alignment, and execution enablers. Lack of progress in one area will eventually stall progress in the other two.

So what is next? Now we have all been to that great seminar, learned a lot, and had high-expectations of applying those lessons upon our return to work. What happened? Reality set in and you found yourself playing catch-up on emails, consumed with meetings, and putting out the latest fire that an arsonist set in your absence. Therefore, it is doubtful that any project manager will ever be afforded the opportunity to dedicate large blocks of time exclusively to increasing organizational capability at the expense of their day-to-day responsibilities. But what would happen if we could increase the capability of those we interact with by only one percent? The effect of imparting your knowledge on meeting facilitation skills to a sub-team leader or explaining a risk management approach to a functional leader may not be a huge step forward, but it may be the first step toward getting off the treadmill and toward an increase in organizational capability.