



Anticipating the Future of Project Management in Life Sciences

Summary

Driven by an interest in gathering insights into the current and projected future state of project management in the life sciences industry, Integrated Project Management Company, Inc. (IPM) conducted a largely qualitative, multiple choice survey in August 2006. We greatly appreciate those representatives of thirteen different life sciences companies who responded to the survey. IPM received 22 total responses from companies that represent a mix of large and small organizations broken down into industry sub-segments as follows:

Pharmaceutical	11
Biotechnology	5
Medical Device	6

The criticality of strong project management has been increasingly recognized in recent years by life sciences organizations, which are continually challenged with complex, deadline-driven projects that involve interdependent processes and/or multiple organizations. While this recognition is generally common across companies, the approach each takes to integrating a project management competency into the organization can vary significantly. Survey responses suggest that some organizations have separate and distinct project leader and project manager roles. Project leaders tend to come from R&D and provide overall strategic leadership for the project team (a.k.a. CEO), while the Project Manager focuses on the tactical project process: build detailed project plans and schedules, coordinate activities and communications, and ensure that carefully developed plans are executed by all team members. Project Managers typically do not make decisions; rather, they facilitate best decision-making practices, and then ensure that the project stays on track via both technical and interpersonal skills (a.k.a. COO).

The survey indicates that effective project management is viewed as a competitive advantage for life sciences organizations' future success. However, there are some essential differences in how the survey respondent sub-segments see the future of project management. Medical Device respondents anticipate a future where projects will focus on innovation and project management is pervasive in their organizations, with Functional Managers leading projects. Pharma respondents see a future where projects continue to focus on reducing cost/saving time and are led by project management specialists—an individual focused solely on the practice of project management. Biotech respondents anticipate a future where projects will focus on innovation/quality and are led by project management specialists.

		Project Leader	
		Functional Managers	PM Specialists
Project Objective	Innovation	Device	Biotech
	Quality		
	Cost/Time Saving		Pharma

There is good news for successful project leaders from a career advancement perspective. Most Pharma and Medical Device respondents anticipate that today's successful Project Leaders will ascend to general management roles in the future, which are typically broader scope leadership positions. Biotech respondents see successful Project Leaders ascending to functional leadership roles. All respondents see an ongoing need for project management specialists to advance their organizations' capability to effectively manage projects.

What follows is a summary of the survey questions, results, and IPM's interpretive notes from our experience in working with over 30 different life sciences organizations. The data presented are the median scores of responses.

Survey Results

Question 1: Which of the following best describes most of the current projects in your organization?

Pharma	64% prioritized and resourced set of activities that meet an overall organizational strategy or objective; 36% cumulative list of each department's major activities
Biotech	100% prioritized and resourced set of activities
Medical Device	67% prioritized and resourced set of activities; one answered somebody's pet; one answered cumulative list of each department's major activities

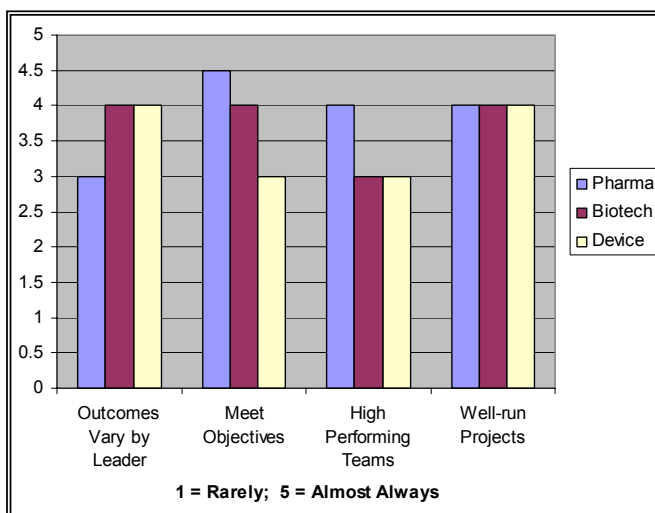
Most respondents characterize their current portfolio of projects as being prioritized and resourced properly. IPM's experience suggests that many life sciences companies continue to face challenges in project prioritization and resource planning. Respondents to our survey may be working in environments that have successfully implemented portfolio management and resource planning processes and tools.

Questions 2 & 3: A formal project management approach is applied to how many of your projects?

Biotech company respondents report that a formal project management approach is currently used more than 75% of the time. This is inconsistent with IPM's experience with biotechnology companies, many of which have tended to be less formal than our Pharma or Medical Device clients. The Biotech respondents to our survey may be working in mature project management environments.

	Current	Projected Future
Pharma	>50%	>75%
Biotech	>75%	>75%
Medical Device	<50%	>75%

Question 4: Rate your current project performance (median scores):



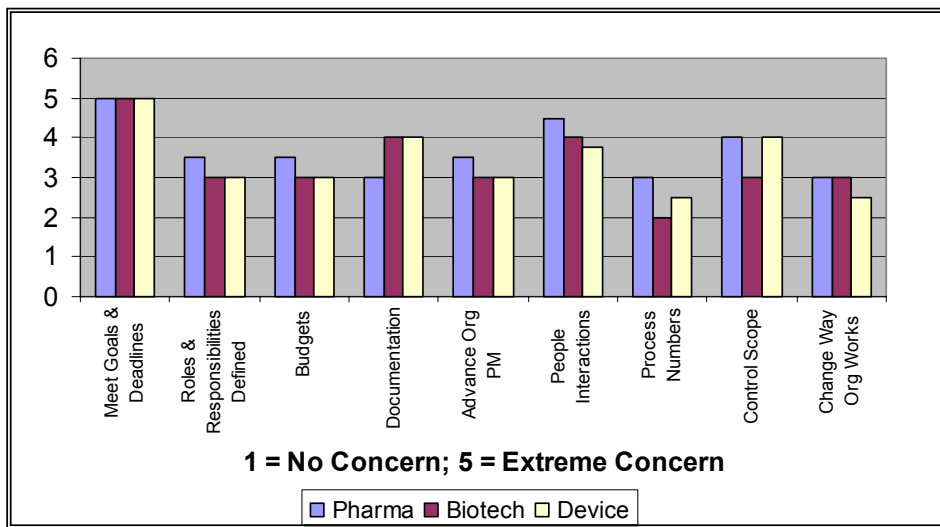
Well-run projects are those that are planned and communicated well. Biotechnology and Medical Device companies indicate that there currently is more individual PM and team variance than do Pharma companies. IPM's experience suggests that there is variance between individual PMs and teams at most life sciences companies, large and small.

Questions 5 & 6: For most of your projects, which best represents the project objective?

Interestingly, Medical Device company respondents indicate that innovation is the objective for most projects currently and into the future. Pharma and Biotech respondents are currently focused on reducing cost/saving time and anticipate a shift to a focus on best quality in the future.

	Current	Projected Future
Pharma	Reduce Cost / Save Time (72%)	Reduce Cost / Save Time (36%) Best Quality (27%)
Biotech	Reduce Cost / Save Time (60%)	Best Quality (40%) Innovate (40%)
Medical Device	Innovate (67%)	Innovate (83%)

Questions 7 & 15: Rate your organization's project leaders' concern with the following (median scores):

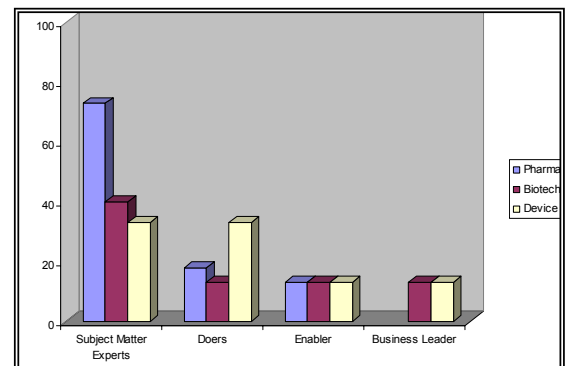


Respondents indicate that most of their current focus is on meeting goals and deadlines—tactical implementation.

There does not seem to be much focus toward advancing the organizational PM capability or changing the way the organization works. IPM's experience suggests that continuing to focus on tactical implementation without a complementary focus on enterprise-wide PM process improvements and disciplined implementation will continue to result in individual PM and team performance variability.

Question 8: For most of your projects, which of the following best describes the people currently leading projects in your organization?

Most survey respondents answered that project leaders are currently subject matter experts (SME). Later, in question 12, the majority of respondents indicate that project leaders come from R&D backgrounds. One can infer that the subject matter in which the project leaders are expert is a scientific or technical field rather than the profession of project management. IPM's experience suggests that some organizations have separate and distinct Project Leader and Project Manager roles. Project Leaders tend to come from R&D and provide overall strategic leadership for the project team, while the Project Manager focuses on the tactical project process: facilitating decision-making as an objective "third party," building detailed project plans and schedules, coordinating activities and communications, and ensuring that carefully made plans are carried out by all team members.



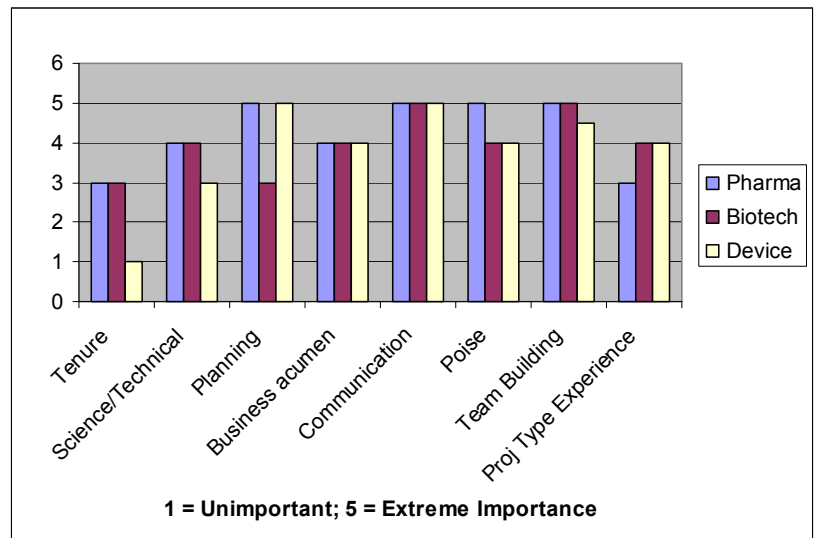
Questions 9 & 10: Project management in your organization is best described as:

	Current	Projected Future
Pharma	Stand-alone function (44%) Competitive advantage (33%)	Competitive advantage (60%) Stand-alone function (20%)
Biotech	Stand-alone function (60%)	Competitive advantage (80%)
Medical Device	Stand-alone function (67%)	Competitive advantage (83%)

Most survey respondents answered that project management is currently a stand-alone function in their organization, with aspirations that it become a competitive advantage in the future. Evolution to “competitive advantage” involves elevating project management competence to a skill set that is consistently applied to all endeavors across the enterprise, i.e., an institutionalized mindset. IPM’s experience suggests that organizations effectively managing projects are those that have functional managers and project management specialists successfully implementing standard project management processes and tools, with a Project Management Office focused toward continual improvements.

Question 11. Rate the importance of the following when selecting a project leader:

Many respondents report that the focus for selecting project leaders is still on technical project management skills, e.g., planning, communication, team building. Pharma and Biotech respondents indicate more importance is placed on scientific and/or technical experience than do Medical Device respondents. As in question 8 above, it is assumed that in some organizations (particularly Pharma and Biotech), Project Leaders are distinct roles supported by Project Managers. Interestingly, Medical Device respondents place little importance on organizational tenure.



Questions: 12 & 13: Project leaders in your organization typically come from:

	Current	Projected Future
Pharma	R&D (55%) Ops (27%)	R&D (45%) Ops (36%)
Biotech	R&D (80%)	R&D (60%)
Device	R&D (100%)	R&D (100%)

The majority of all respondents reported that Project Leaders currently come from R&D and that is anticipated to continue into the future. IPM’s experience suggests that Medical Device R&D tends to be dominated by engineers, many of whom are skilled in the processes typically employed by project management.

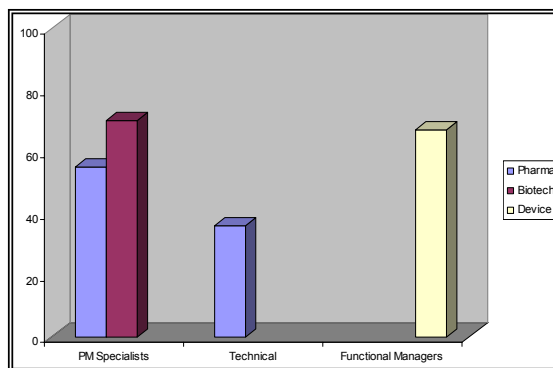
Question 14: Where will today's successful project leaders be in the future?

Pharma	General Manager (60%) Head of Function (20%)
Biotech	Head of PM or Other Function (80%)
Device	General Manager (83%)

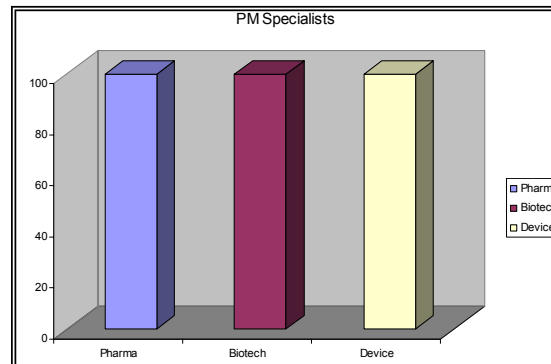
Most Pharma and Medical Device respondents anticipate that successful Project Leaders will ascend to general management roles, which are typically broader scope leadership positions. Most Biotech respondents see successful Project Leaders ascending functionally, or staying narrow in scope.

Question 16: Which of the following best describes the ideal future for your organization?

A. Who will lead projects?



B. Who will advance organizational capability?



The majority of Pharma and Biotech respondents see project management specialists leading projects in the future. In question 12, it is anticipated that future Project Leaders will come from R&D. It can therefore be inferred that specific project management skills and experiences will be groomed within the R&D function. Medical Device respondents see project management being pervasive in their organizations, with Functional Managers leading projects in the future. All respondents anticipate that project management specialists will advance their organizations' capability to successfully execute projects, potentially through the coordinated efforts of a PMO.