



# PMO Symposium®

**Where Leaders Meet**

HOUSTON, TX, USA | 5-8 NOVEMBER 2017

#PMOSym

PMO17BR206

Leveraging the PMO to Operationalize Strategic Business Interests Within the Bio-Pharma Industry

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Bristol-Myers Squibb

# Biographies

- Fergus Delappe is the director of the Biologics PMO in Bristol-Myers Squibb, with a 26-year career that encompasses roles in quality, supply chain, procurement and program management across a range of industries. His professional certifications include engineering, quality management and purchasing, as well as being a Project Management Professional (PMP)<sup>®</sup> certification holder.
- Roger Williams is the director of the Bristol-Myers Squibb Pharmaceutical Operation's PMO, with a 38-year career with BMS that includes director-level experience in technical services, technology transfer, business continuity execution and regulatory quality compliance. During the past five-plus years, he has initiated, developed and delivered the PMO value proposition on a global basis. He is a Project Management Professional (PMP)<sup>®</sup> certification holder and has a bachelor's degree in pharmacy from Purdue University.

# Learning Objectives (LO)

1. Review Hoshin Kanri A3 process as a mechanism to articulate and cascade strategy
2. Discuss integrated portfolio planning as a method to operationalize strategy
3. Review an approach to applying resource management to support successful execution in a bio-pharma environment

# LO1 – Articulate and Cascade Strategy



## Anticipating and Preparing for the Future



Agility and  
flexibility



Speed



Cost  
effectiveness



Digitization



Customization



New  
platforms



Talent  
management

## Imagining the Future

1. Flexibility + scalability
2. Speed + risk management
3. Right-first-time + on-time-delivery
4. Efficiency + productivity
5. Scientific + technical



# WHO ARE *YOU* WORKING FOR?

Our Mission:

To discover, develop and deliver innovative medicines...*that help patients prevail over serious diseases.*



**How can I run AND change the  
business at the same time?**

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**How can I transform before  
I'm forced to?**

# Hoshin Kanri

## A Strategic Planning Alignment Tool

# Planning

“Failing to plan is planning to fail.” – Author Unknown

“Plans are only good intentions unless they immediately degenerate into hard work.” – Peter Drucker, American (Austrian-born) management writer (1909-2005)

“In preparing for battle, I have always found that plans are useless, but planning is essential.” – Dwight Eisenhower, 34th President of the United States of America, 1953-1961 (1890-1969)

“Make no little plans; they have no magic to stir people’s blood...Make big plans, aim high in hope and work.” – Daniel Burnham (U.S. architect and city planner, 1846-1912)

“The nicest thing about not planning is that failure comes as a complete surprise, rather than being preceded by a period of work and depression.” –  
Sir John Harvey-Jones, English company director, television presenter and university chancellor (1924-2008)

# Hoshin Kanri

方針 管理  
ho shin kan ri



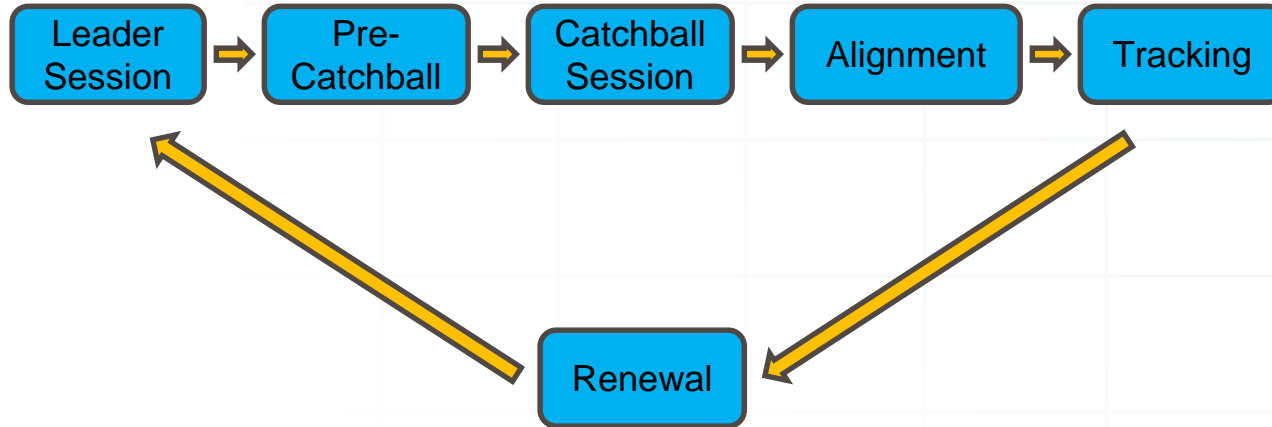
Hoshin = Direction/needle Kanri = Management

- Hoshin Kanri (strategic planning) is a management process that:
  - **Points** – Selects aspirational targets to aim for
  - **Aligns** – Helps us to agree upon—and keep our focus on—the same goals
  - **Adjusts** – Provides a check of our annual strategy so we can make changes

Strategy deployment is a process that identifies and aligns all resources of the business to accomplish our overall strategic goals.

**\*\*\*Strategy is about changing, improving or growing the business  
.....not running the business!**

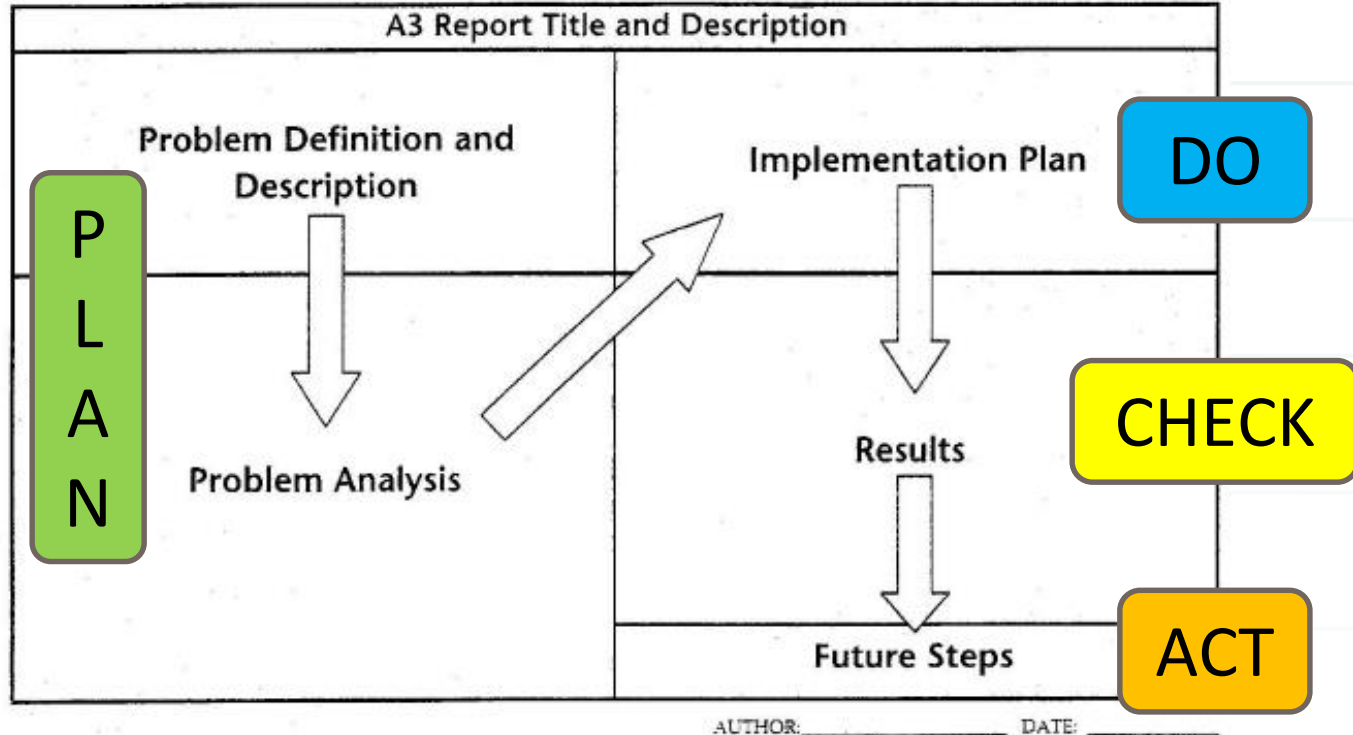
## Hoshin Kanri Steps (High Level)



**This cycle occurs at each successive level of the organization in cascading fashion**

**This is known as an “A3 cascade” and is used to communicate and deploy strategy throughout all levels of the organization**

# A3 Strategy Tool



Source: Liker, The Toyota Way Field Book

# Catch-Ball Process



# Hoshin Approaches

## X Box

HOSHIN PLANNING MATRIX (X-MATRIX)			
<p><b>HOW</b></p> <p>Review customer engagement capabilities                      Review customer loyalty                      Review performance indicators                      Review state of market share to be gained                      Review number of new identified pending customer accounts                      Review new distribution channels to be developed</p>			
<p><b>HOW FAR</b></p> <p>20% increase in sales                      10% increase in customer loyalty                      15% increase in performance indicators                      5% increase in market share                      20% increase in new customer accounts</p>	<p>Top Level Improvement Priorities</p> <p>Annual Objectives</p> <p>Target to improve</p>	<p><b>HOW MUCH</b></p> <p>Increase sales productivity                      Reduce 20% of operational expenses                      Increase market share to 30%                      Increase customer retention rate                      Reduce 10% operational costs                      Increase customer satisfaction by 10%                      Increase employee engagement by 15%                      Increase market share by 5%                      Increase customer loyalty by 10%                      Increase operational efficiency by 10%                      Increase the number of new customer accounts by 20%</p>	<p><b>WHO</b></p> <p>Top Executive                      Senior Manager                      Department Head                      Specialist                      Support Staff</p>
	<p><b>WHAT</b></p> <p>3-5 Year Breakthrough Objectives</p>		
<p>Review overall team goals performance verified by financial targets achieved by the end of 2022                      Check an operational culture of collaboration resulting in a 10% increase in sales growth by the end of 2022                      Achieve 80% market share of the new digital marketing channel by the end of 2024                      Total sales revenue to \$1.5B within 2024 at 100% of sales by the end of 2024</p>			<p><b>RESOURCES</b></p> <ul style="list-style-type: none"> <li>• Win-win Responsibility</li> <li>• Stakeholder Responsibility</li> <li>• Self-Specialization</li> </ul>



Corporate Mission/Vision

Division Mission/Vision

Functional Mission/Vision

## Challenge Statement

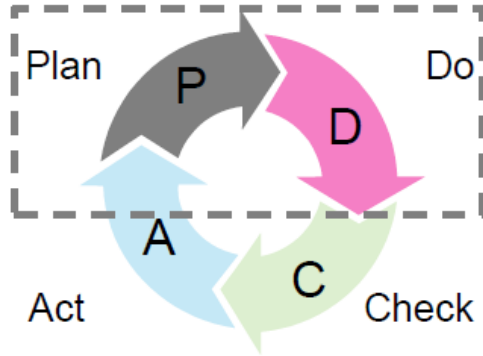
**Division  
Breakthrough  
Objectives**

**Functional  
Breakthrough  
Objectives**

**Measureable  
Targets (KPIs)**

**Initiatives /  
Projects**

# Develop Action Plans for Priority Projects



- Action plans consist of:
  1. Actions
  2. Ownership and timing
  3. Current status of the action (color code red for past due)
  4. Identify impact on the improvement priority and top-level aspirational objectives

PMO measures actions and progress

## Questions?

- Is anyone using Hoshin Kanri or the A3 approach?
- What is your experience—positive and negative?

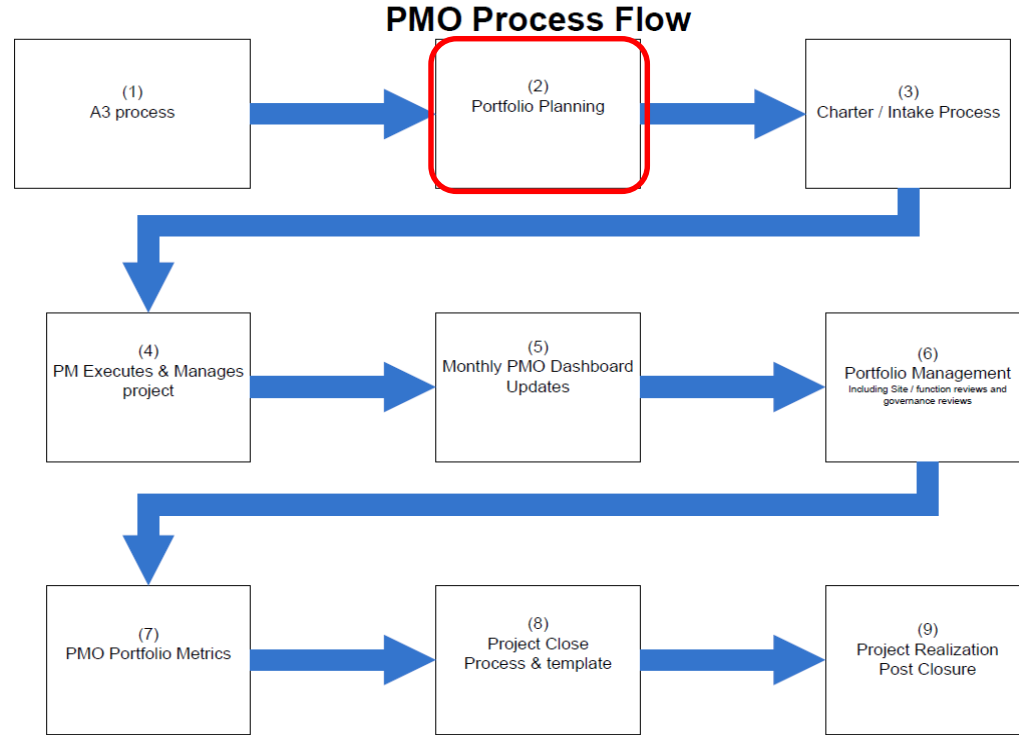
# LO2 – Portfolio Planning

- *PMI Thought Leadership Series Report*



- *“...link between the management of individual portfolios and an organization’s success in achieving its strategic goals and objectives. Portfolio management can also give senior leaders the nimbleness to stop projects...”*
- *“Because of the...executive visibility of portfolio management, there is often a desire to overcomplicate. Processes and tools should be simple and intuitive.”*
- *“..... its true value comes from “project header-level” information.”*
- *“Portfolio management is a tangible way to operationalize strategy.”*

# LO2 – Where It Occurs Within an Integrated Process



Alignment with PMI convention:  
Initiate & Plan phases = (1) + (2) + (3)  
Execute and Monitor & Control phases = (4) + (5) + (6) + (7)  
Closing phase = (8) + (9)

(1) + (2) = Doing the right things  
(3) ->(9) = Doing things right

# LO2 – Portfolio Planning

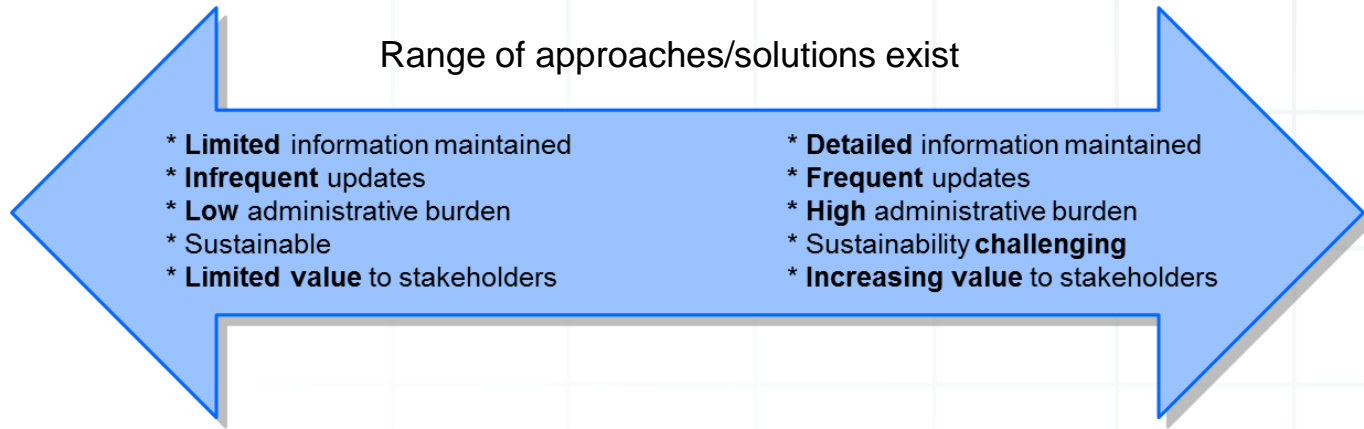
- Objective is to execute a comprehensive, coordinated exercise to evaluate entire active/proposed book of work; provide visibility to support required work; consider trade-offs and achieve alignment in principle – Snapshot
- Process incorporates combination of bottom-up and top-down elements;
  - 1) **Template** – header level, including estimated resources and alignment with strategy A3 link/run the business
  - 2) **Triage** - Opportunity for LT review to ensure it is aligned with strategy—aligned, expedite, cancel
  - 3) **Support** confirmed – Indicate ability to provide support and trade-off/escalation to reach alignment

# LO2 - The details

Strategy alignment

Step	Week ending Friday	3-Mar-2017	10-Mar-2017	17-Mar-2017	24-Mar-2017	31-Mar-2017	7-Apr-2017	14-Apr-2017	21-Apr-2017	28-Apr-2017	5-May-2017	12-May-2017	19-May-2017	26-May-2017	2-Jun-2017	9-Jun-2017	16-Jun-2017	23-Jun-2017	30-Jun-2017	7-Jul-2017	14-Jul-2017	21-Jul-2017	28-Jul-2017	4-Aug-2017
1	Sites & functions update PPM tool with all active & planned P1 & non-P1 projects.	█	█																					
2	Generate portfolio planning template using data from the PPM tool & include resource columns, business Driver/A3 link fields, etc.			█	█																			
3	Sites & functions populate resource estimates for 2018 support required.					█	█	█																
4	Leadership team triage								█	█	█													
5	GPS Phase 1 - Projects populated into GPS template											█	█	█										
6	GPS Phase 1 - PPM core team consolidates all GPS project lists														█	█								
7	GPS Phase 2 - Function/site review and assessment (confirm support using red/green flag)															█	█	█						
8	GPS Phase 2 - PPM core team identifies projects requiring cross-functional alignment																			█				
9	GPS Phase 3 - Mediation / Function & site PMO alignment																				█	█	█	
10	GPS Phase 3 - Finalization 2018 Portfolio																							█

# LO3 - Project Resource Management – To Support the Portfolio



**Objective: To develop a sustainable/scalable approach to managing project resources**

- **Balancing administrative burden with value proposition**
- **Leveraging existing PMO processes, tools (PPM), templates (charter) and people (PMO leads)**
- **Informing the project intake process (to address conflicts prior to execution)**
- **Providing appropriate visibility to functional management**

# LO3 - Resource Management

- Level 1 – Portfolio planning captures estimated resources and ensures alignment in principle from supporting functions
- Level 2 – Enhanced charter template and process to capture named resources
  - Required an increased focus/rigor at intake phase
  - Achieves improved alignment and commitment of team members (& 1 over managers) across functions

Requirements or Instructions		Resource Comments: Enter any additional details or comments regarding the overall resource requirements for this project												
Project Resource Requirements			2017			2018			2019			Resource Confirmed By		
Function	Resource Name	Other/Comment	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Quality		CRU- Project Owner	12	15	12	12	4	0	0	0	0	0	0	0
BDO-M&T		Project Facilitator	12	15	12	12	4	0	0	0	0	0	0	0
Quality		Core Team Member	4	6	4	4	0	0	0	0	0	0	0	0
Quality		Core Team Member	13	18	14	10	0	0	0	0	0	0	0	0
Quality		Micro Control	2	12	8	5	3	0	0	0	0	0	0	0
Quality		in-Process	2	4	2	0	0	0	0	0	0	0	0	0
Quality		Sample Mgmt	2	4	2	0	0	0	0	0	0	0	0	0
Quality		Sample Mgmt	2	4	2	0	0	0	0	0	0	0	0	0
Manufacturing		Sample container changes	4	12	8	0	0	0	0	0	0	0	0	0
BDO-M&T		Sample container changes	4	10	10	8	0	0	0	0	0	0	0	0
BDO-M&T		Sample container changes	4	10	10	8	0	0	0	0	0	0	0	0
Other/Specify		Procurement	0	3	3	0	0	0	0	0	0	0	0	0
Finance			0	4	4	0	0	0	0	0	0	0	0	0
GRQ OpEx		Core Team Member					0	0	0	0	0	0	0	0
Quality		Kaizen member					0	0	0	0	0	0	0	0
Quality		Kaizen member					0	0	0	0	0	0	0	0
Quality		Kaizen member					0	0	0	0	0	0	0	0
Quality		QCTS					0	0	0	0	0	0	0	0
Quality		QA					0	0	0	0	0	0	0	0
Quality		QC					0	0	0	0	0	0	0	0
Quality		QC					0	0	0	0	0	0	0	0
Quality		QC					0	0	0	0	0	0	0	0
Quality		QC					0	0	0	0	0	0	0	0
Quality		Core Team Member	4	6	6	4	0	0	0	0	0	0	0	0
Quality		Core Team Member	2	10	10	10	0	0	0	0	0	0	0	0
Quality		Relia C OPL	0	1	1	1	0	0	0	0	0	0	0	0
Quality		Opsite OPL	0	1	1	1	0	0	0	0	0	0	0	0
Quality		Chrenco OPL	0	1	1	1	0	0	0	0	0	0	0	0
Quality		Emploids OPL	0	1	1	1	0	0	0	0	0	0	0	0
Quality		Yervey OPL	0	1	1	1	0	0	0	0	0	0	0	0
Quality		CRU Sample mgmt	2	8	4	2	0	0	0	0	0	0	0	0
GRQ-Biologics-ExMt		Analytics SME	2	2	2	2	2	0	0	0	0	0	0	0
GRQ-Biologics-ExMt		SRM Verifier	2	2	2	2	2	0	0	0	0	0	0	0

# LO3 - Resource Management

- Configured resource module from PPM tool to capture this information
- Engaged stakeholders to populate assumptions
- Generated two primary reports
  - New project report
  - Function/team report

### New Project report

#### Resource Capacity and Demand

Resource Name	Project	Project ID	Project Priority	Project Type	2017
<b>Alvarez Carril, Walter, 50%</b>					
Capacity					33 33 33 33
Committed					8 20 18 30
Priority 1					8 1 1
Priority 2					18 20
Priority 3					18 48 18 30
Remaining Availability - Committed					19 49 18 30
Remaining Availability - Committed Only					19 49 18 30
Remaining Availability - Committed + Proposed					11 48 18 30
<b>Barral, Miguel, 50%</b>					
Capacity					33 33 33 33
Committed					24 34
Priority 1					3 3 3 3
Priority 2					18 18
Priority 3					42 42 3
Remaining Availability - Committed					18 18 30 30
Remaining Availability - Committed Only					18 18 30 30
Remaining Availability - Committed + Proposed					42 42 3 3
<b>Castro Lopez, Oscar, 50%</b>					
Capacity					33 33 33 33
Committed					18 18 20 20
Priority 1					8 18 20 20
Priority 2					18 18 20 20
Priority 3					11 11 13 13
Remaining Availability - Committed					15 15 13 13
Remaining Availability - Committed Only					15 15 13 13
Remaining Availability - Committed + Proposed					15 15 13 13
<b>Diez Yaneza, 50%</b>					

### Site / Function / Team report

Report Date: 2/17/2017

Resource Name	Project	Project ID	Project Priority	Project Type	2017	2018
<b>All selected resources</b>						
Capacity					1 2 3 4	1 2 3 4
Committed					208 208 208 208	208 208 208 208
Proposed					208 188 127 88	78 68 42 41
Total Project Demand (Committed + Proposed)					20 13 7 26	13 20 13 13
Remaining Availability - Committed Only					1884 1884 1884 1884	721 728 478 478
<b>Alvarez Carril, Walter, 50%</b>						
Capacity					33 33 33 33	
Committed					2 2	
Total Project Demand (Committed + Proposed)					30 33 33 33	
Remaining Availability - Committed Only					30 33 33 33	
Remaining Availability - Committed + Proposed					30 33 33 33	
<b>Barral, Miguel, 50%</b>						
Capacity					18 18 18 18	
Committed					8 20 18 20	
Total Project Demand (Committed + Proposed)					0 1	
Remaining Availability - Committed Only					18 18 18 18	
Remaining Availability - Committed + Proposed					18 18 18 18	
<b>MARINO BELTRAN, German, 50%</b>						
Capacity					2 2 2 2	
Committed					2 2 2 2	
Total Project Demand (Committed + Proposed)					2 2 2 2	
Remaining Availability - Committed Only					2 2 2 2	
Remaining Availability - Committed + Proposed					2 2 2 2	
<b>Estela Marinovic, Walter, 50%</b>						
Capacity					65 65 65 65	
Committed					65 65	
Total Project Demand (Committed + Proposed)					6 5 45 45	
Remaining Availability - Committed Only					6 5 45 45	
Remaining Availability - Committed + Proposed					6 5 45 45	
<b>Acosta, Miguel, 50%</b>						
Capacity					20 20 20 20	
Committed					3 3 3 3	
Total Project Demand (Committed + Proposed)					15 15	
Remaining Availability - Committed Only					15 15	
Remaining Availability - Committed + Proposed					15 15	

# LO3 - Resource Management

- Teams are recognizing the value and realizing the benefits
- Identifies potential issues to allow corrective action, prior to execution
- Initial focus on process, before integrating into PPM tool
- Level of adoption and scalability

		P1	P2
	No of Active Resources Managed	Projects in PPM Execution	Projects in PPM Execution
Function 1	77	4	-
Function 2	150	7	23
Function 3	69	2	16
Function 4	183	16	17
Function 5	27	8	5
Function 6	142	15	11
<b>Total</b>	<b>648</b>	<b>52</b>	<b>72</b>

# Wrap-Up/Conclusion

- Supported by rigorous charter intake and project execution feedback mechanisms
- PPM updated monthly, and outputs reviewed at functional team meetings
- PMO integrated within governance forums (including LT) and risks elevated accordingly
- Holistic suite of metrics capture KPIs

Project 1	S. Execution	Green Circle	Red Circle	Yellow Triangle	Green Triangle	4/30/2017	4/30/2017	Link
Project 1	S. Execution	Green Circle	Red Circle	Yellow Triangle	Green Triangle	4/30/2017	4/30/2017	Link
Project 1	S. Execution	Green Circle	Green Circle	Green Triangle	Green Triangle	3/30/2014	3/30/2014	Link
Project 1	S. Execution	Green Circle	Green Circle	Green Triangle	Green Triangle	4/30/2017	4/30/2017	Link
Project 1	S. Execution	Green Circle	Green Circle	Green Triangle	Green Triangle	4/30/2014	4/30/2014	Link
Project 1	S. Execution	Yellow Triangle	Yellow Triangle	Yellow Triangle	Yellow Triangle	12/31/2017	12/31/2017	Link
Project 1	S. Execution	Yellow Triangle	Yellow Triangle	Yellow Triangle	Green Triangle	5/1/2014	5/1/2014	Link
Project 1	S. Execution	Yellow Triangle	Yellow Triangle	Yellow Triangle	Green Triangle	4/30/2014	4/30/2014	Link
Project 1	S. Execution	Green Circle	Green Circle	Green Triangle	Green Triangle	4/30/2017	4/30/2017	Link
Project 1	S. Execution	Yellow Triangle	Yellow Triangle	Yellow Triangle	Green Triangle	4/30/2017	4/30/2017	Link
Project 1	S. Execution	Red Circle	Yellow Triangle	Red Circle	Green Triangle	3/31/2017	3/31/2017	Link

# Audience Engagement

# Closing

## Learning Objectives

1. Hoshin Kanri and the A3: A strategic planning tool
2. Integrated Portfolio Planning as a method to operationalize strategy
3. Applying resource management to support successful execution in a bio-pharma environment

# Closing

## Recommendation

- Hoshin Kanri: Determine if it fits your organization to foster improvement in strategic planning
- Leverage portfolio planning to integrate change-the-business and run-the-business projects, incorporating visibility and alignment with leadership
- Establishing a resource management process and tool to drive business value
- Each of these items may drive significant cultural or business change
- The process needs to be deliberate, well communicated and above all, have firm management support