Leveraging the PMO to Operationalize Strategic Business Interests Within the Bio-Pharma Industry
Fergus DeLappe, Director, Biologics PMO
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)® 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)® 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

VUCA
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
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?

How can I transform before I’m forced to?
Hoshin Kanri
A Strategic Planning Alignment Tool
“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 (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!
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

- Group Goals & Priorities
- Division Objectives
- Department Objectives
- Section Objectives
- Frontline Objectives

Communication:
- COMMUNICATIONS

Negotiation & Alignment:
- NEGOTIATION & ALIGNMENT
Hoshin Approaches

X Box

- Annual Goals
- 3-5 Year Goals
- Breakthrough Strategies
- Hoshin Initiatives
<table>
<thead>
<tr>
<th>Corporate Mission/Vision</th>
<th>Division Mission/Vision</th>
<th>Functional Mission/Vision</th>
</tr>
</thead>
</table>

## Challenge Statement

<table>
<thead>
<tr>
<th>Division Breakthrough Objectives</th>
<th>Functional Breakthrough Objectives</th>
<th>Measureable Targets (KPIs)</th>
<th>Initiatives / Projects</th>
</tr>
</thead>
</table>

- **Division Breakthrough Objectives**
- **Functional Breakthrough Objectives**
- **Measureable Targets (KPIs)**
- **Initiatives / Projects**
LO1 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

PMO Process Flow

1. A3 process
2. Portfolio Planning
3. Charter / Intake Process
4. PM Executes & Manages project
5. Monthly PMO Dashboard Updates
6. Portfolio Management including Site / Function reviews and governance reviews
7. PMO Portfolio Metrics
8. Project Close Process & template
9. Project Realization Post Closure

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

<table>
<thead>
<tr>
<th>Step</th>
<th>Date Range</th>
<th>Description</th>
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</thead>
<tbody>
<tr>
<td>1</td>
<td>Week ending Friday</td>
<td>Sites &amp; functions update PPM tool with all active &amp; planned P1 &amp; non-P1 projects.</td>
</tr>
<tr>
<td>2</td>
<td></td>
<td>Generate portfolio planning template using data from the PPM tool &amp; include resource columns, business Driver/A3 link fields, etc.</td>
</tr>
<tr>
<td>3</td>
<td></td>
<td>Sites &amp; functions populate resource estimates for 2018 support required.</td>
</tr>
<tr>
<td>4</td>
<td></td>
<td>Leadership team triage</td>
</tr>
<tr>
<td>5</td>
<td></td>
<td>GPS Phase 1 - Projects populated into GPS template</td>
</tr>
<tr>
<td>6</td>
<td></td>
<td>GPS Phase 1 - PPM core team consolidates all GPS project lists</td>
</tr>
<tr>
<td>7</td>
<td></td>
<td>GPS Phase 2 - Function/site review and assessment (confirm support using red/green flag)</td>
</tr>
<tr>
<td>8</td>
<td></td>
<td>GPS Phase 2 - PPM core team identifies projects requiring cross-functional alignment</td>
</tr>
<tr>
<td>9</td>
<td></td>
<td>GPS Phase 3 - Mediation / Function &amp; site PMO alignment</td>
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<tr>
<td>10</td>
<td></td>
<td>GPS Phase 3 - Finalization 2018 Portfolio</td>
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</tbody>
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**Strategy alignment**

The details
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

Range of approaches/solutions exist

* Limited information maintained
* Infrequent updates
* Low administrative burden
* Sustainable
* Limited value to stakeholders

* Detailed information maintained
* Frequent updates
* High administrative burden
* Sustainability challenging
* Increasing value to stakeholders
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
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
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

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