

Power over the People

400
300
200
100



Dr Georg A Mathis of Appletree Ltd goes in search of the secret to successful pharmaceutical project management

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According to Peter Drucker, “The project leader is like the conductor of a symphony, who does not possess all the competences needed to fulfil the needs of the audience, but is none the less in charge of fulfilling these needs.” Being commonly defined as a series of parallel and/or sequential activities designed to reach a pre-defined objective, with a defined start and end point, a project is allocated and makes use of a variety of resources, and requires extensive coordinative action.

A PROJECT IS NOT A PROJECT

In different contexts, projects may have very different features. Project management was created in the construction industry in the middle of the twentieth century by engineers who realised that a special competence was required to bring together at the right time and place the many parties contributing to a construction site. Project management was developed to perfection by the US National Aeronautics and Space Administration (NASA) in its drive to put man on the moon. It is also widely used in the information technology environment and, last but not least, in the pharmaceutical industry.

However, there is a significant difference between a pharmaceutical industry project and, say, a construction project.

While a construction project is normally run top down along the established lines of report and control (that is, the project responsibilities and the line leadership responsibilities overlap), a project in the pharmaceutical industry is usually organised in a matrix – along lines of report and control different from the established hierarchy (see Figure 1a and 1b).

THE PROJECT MANAGER’S LIMITATIONS

Typically, a pharmaceutical development project involves disciplines as diverse as science, manufacturing, finance, marketing and medicine. A pharmaceutical industry project leader is faced with a team that spans the entire organisation, encompassing a variety of disciplines that have very little in common. As a consequence, the pharmaceutical project leader does not usually have disciplinary power over the project team members, but is often merely coordinating the team’s activities.

Development projects can make or break the future of a pharmaceutical company, as history has repeatedly shown. They are among the most costly, lengthy and complex projects known: in order to develop a new medicine, a concerted effort across all departments within a company is required, taking up to 15 years and costing nearly \$1 billion. In view of these facts,

Figure 1a: Line-oriented project organisation, as common in the construction industry

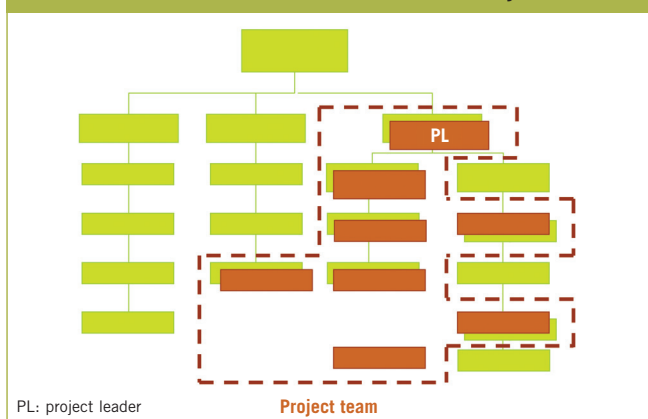
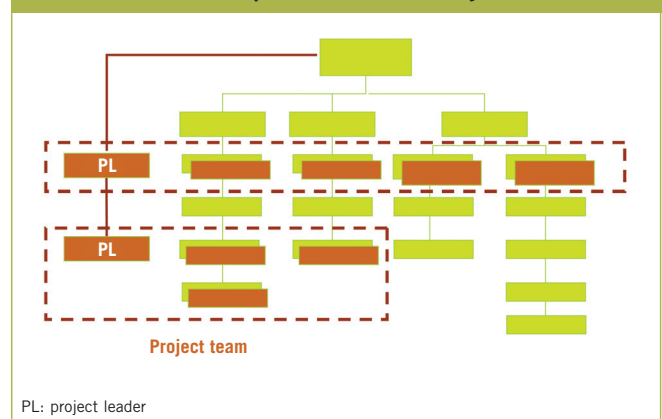


Figure 1b: Matrix project organisation, as typical in the pharmaceutical industry



it is surprising to realise that the pharmaceutical project manager's position is relatively weak in contrast to his responsibility and the importance of the project he is responsible for. Why this contrast?

In a pharmaceutical company, the individual line units are highly specialised functional entities within the corporate body, which often have very little in common. Likewise, the personnel within these units must be highly specialised professionals in order to meet the expectations placed on them. As a consequence, the line units tend to develop a culture that maintains and furthers these specialised competences and thus their competitiveness within the industry. The line unit's role is not only to render services, but also to maintain and increase knowledge – both on an organisational and individual level. This results in 'functional silos' within an organisation, which make understanding and communication across the company difficult, but are to a certain extent indispensable in a pharmaceutical company. To illustrate this point, imagine the common ground between an analytical chemist, a sales representative and a production engineer. They all have an important role in a pharmaceutical development project and must be able to cooperate and communicate to exchange information. Yet they have very different operational backgrounds, education, perspectives and goals.

Within a pharmaceutical development project, the resources of an individual specialist is unlikely to be utilised 100 per cent of the time during the project. This is also a consequence of the specialisation of the individual project team members. Characteristically, a pharmaceutical development project team is composed of a relatively large number of specialists, often up to several dozen. However, they dedicate only a relatively limited amount of their time to a particular project – on average probably not much more than 20-30 per cent of their time. They also work on other projects or perform non-project related activities within their line unit. Admittedly there may be periodic peaks when an individual would work almost exclusively for a project, but this is never more than a temporary phenomenon and mostly of short duration. In this context, the line unit manager's duty is to manage and control the work assignments within his area of responsibility.

Both of the described peculiarities – the high degree of specialisation within line units and the limited contribution of each project team member to any given project – call for a matrix project organisation, in which both the line unit and the project manager fulfil their respective duties. By contrast, in the construction industry it is practical and feasible to define a project leader and a project team of full time members, thus essentially, albeit temporarily, reshaping the corporate organisation to meet the project requirements. This is utterly unthinkable in the pharmaceutical industry. Needless to say, the major weakness of the matrix organisation is the fact that each project team member has two 'masters': the line unit superior and the project leader, with the former being in a more comfortable position as the one with the power to hire and fire.

Figure 2: The effective project leader	
●	Has people skills
●	Has vision
●	Is resilient and energetic
●	Makes decisions
●	Is a coach
●	Can handle crises
●	Motivates and stimulates
●	Communicates and listens, and has a sense of humour
●	Is knowledgeable and intelligent

THE PROJECT MANAGER'S COMPETENCIES

Bob Gibson has issued a list of competencies that an effective project leader is supposed to have (see Figure 2). I am convinced most people will agree that the list is comprehensive. What is surprising, though, is that people management skills appear quite dominant. Conventional wisdom says that a project manager is a planner, organiser, coordinator and controller. What Gibson describes, by contrast, is a leader, enabler, coach and motivator. Is this justified?

John P Kotter famously made a distinction between a leader and a manager: "Management is about coping with complexity, about planning and budgeting, organising and staffing, controlling and monitoring; leadership is about coping with change, about setting a direction, aligning people, motivating and inspiring."

I would argue that the ideal project leader must be both a manager and a leader, as Kotter defines it. In the pharmaceutical industry, the project leader usually has no direct disciplinary power over the team members, thus leadership – that is, people management – plays a crucial role. Nevertheless, when training project leaders, the overwhelming emphasis is on tools and techniques. Leadership and people management education often falls short. What does it take to be a good people manager? Three skills are essential: the abilities to communicate, to build a team, and to empower. The following approach to each of these skill sets is based on a concept originally developed by Thomas G Johns and Katzenbach & Smith.

The successful communicator:

- ◆ Builds and reinforces informal channels
- ◆ Has open doors
- ◆ Allows easy access to information
- ◆ Does not let distance interfere with communication
- ◆ Realises that more information is not necessarily good information

In order to build a high performance team, the project leader:

- ◆ Establishes urgency
- ◆ Selects the team members for their skills
- ◆ Pays attention to the first meeting

- ◆ Sets clear rules of behaviour
- ◆ Sets few, performance-oriented objectives
- ◆ Challenges the team regularly with new facts and information
- ◆ Ensures the team spends as much time together as possible
- ◆ Exploits the power of positive feedback, recognition and reward

Empowerment of the project team members is brought about if the project leader:

- ◆ Aligns the team towards a common goal
- ◆ Delegates responsibility and decision power
- ◆ Encourages ownership of subproject(s)
- ◆ Recognises and rewards

Even the best project leader will not be successful if the environment they are working in does not foster a culture that gives projects a fair chance to succeed. Unsurprisingly, an ideal project management organisation supports the three essential skill sets of people management defined above. An ideal project management culture is not easy to describe. However, project success is often associated with the following features, also described as ‘project management success criteria’:

- ◆ A flat hierarchy
- ◆ No/‘weak’ silos
- ◆ Clear corporate objectives and priorities

- ◆ Top management support for the project management organisation
- ◆ Empowerment to the lowest operational level possible
- ◆ Team spirit
- ◆ Reward for initiative
- ◆ Acceptance of failure (as a result of conscientious risk-taking)

As discussed earlier, the required organisation and structure of a pharmaceutical company is not easy to reconcile with these criteria. Silos, for example, are a given and cannot be weakened without consequences. Nevertheless, some of the features may be easier to implement, and in any case it may be worthwhile to check the corporate organisation and culture against the above criteria, especially if projects do not run as smoothly as they should.

CONCLUSION

The single most important success factor for pharmaceutical industry project leaders is their ability to manage people in a complex environment. Rarely, however, are project leaders selected for or trained in the respective skills. By doing so, a pharmaceutical company may lay the foundation for smoother project performance and greater project success. ◆

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