

DIA 40th Annual Meeting

June 14th, 2004



Project Management Schizophrenia: Balancing the Roles of the Leader and Manager

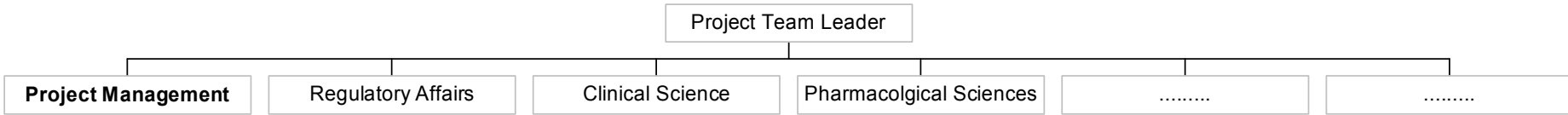
Session Chair

Joseph A. Carlino, Ph.D.
Senior Director and Project Leader
BioPharmaceuticals Development Management
Chiron Corporation

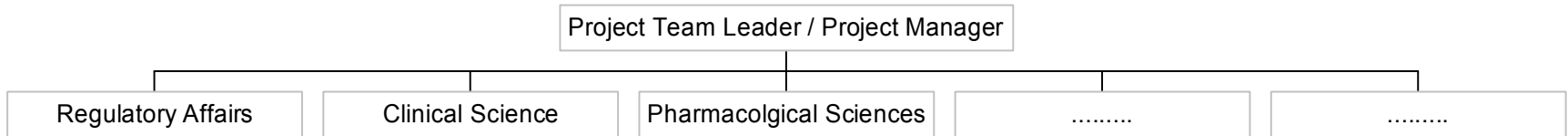
Session Overview

PM & PL Roles to be Considered

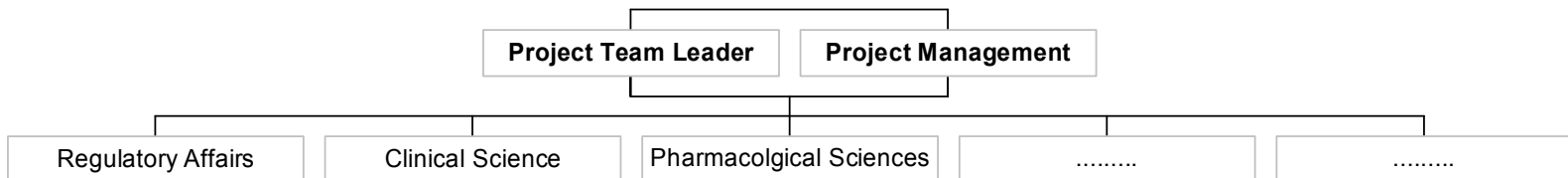
- Project Managers as Team Members



- Project Managers as Team Leaders



- Shared Team Leadership



Session Overview

Presentations and Speakers

- Project Managers as Team Members: What Are the Potential Relationships with the Project Leader?
 - George A. Ksander, AM, PMP
Senior Consulting Project Manager
Product Portfolio Management
Genentech Inc.
- Project Managers as Team Leaders: Are Credibility and Authority Achievable?
 - William McVicar, PhD.
Executive Program Director
Sepracor, Inc.
- Shared Team Leadership: Is it a Dual Model, or a Duel Model?
 - Joseph A. Carlino, Ph.D.
Senior Director and Project Leader
BioPharmaceuticals Development Management
Chiron Corporation

Successful Projects Require Both Leadership & Management

May Be Provided Through One or More Persons

Project Leader

- **Key communicator-project goals, progress against goals, and results**
 - Updates and reassurance to stakeholders, oversight committees & partners as appropriate
 - Solicit & maintain support – represent project internally and externally
- **Lead for strategy and project integration externally and internally**
 - Oversight committees
 - Team members
 - Functional heads
 - Internal and external stakeholders
- **Lead quality decision-making**
 - Accountable for quality of decisions
 - Insures functional integration and alignment into Development plan that maximizes project success
 - Holds team members and functional heads accountable for planning and execution of functional deliverables.

Project Manager

- **Own overall project plan**
 - Create overall project plan and timeline, integrate functional plans and deliverables.
 - Maintain accurate budget and schedule, identify gaps that would result in missed project performance metrics
 - Ensure functional plan on-time delivery and execution
- **Manage project processes**
 - Project Planning/Tracking
 - Budget planning and performance
 - » Planning and Tracking
 - » Interfacing with Finance
 - Team effectiveness
 - » Meeting Facilitation
 - » Team Communication/ Manage Follow-up
 - » Gap planning
 - Surface gaps and insure remediation
- **Manage support interfaces**
 - Insure integration of publication, patent and external request committees

Project Managers versus Project Leaders

Why Can't We All Just Get Along?

- Matrix organizations require wide range of knowledge and skills
- Overlaps exist between line organization and matrix organization
- Latitude allowed for variations in PM and PL roles depending upon
 - organizational structure
 - stage of development
 - personal practices
- PM and PL roles require different and overlapping competencies (and motivations)
- Lack of clear expectations can exist for individuals within organizations

Project Managers as Team Members: What are the Potential Relationships With the Project Leader?

George Ksander, PMP
Senior Consulting Project Manager
Product Portfolio Management
Genentech, Inc.

Presentation for DIA Annual Meeting
13-17 June 2004, Washington DC

Objective and contents

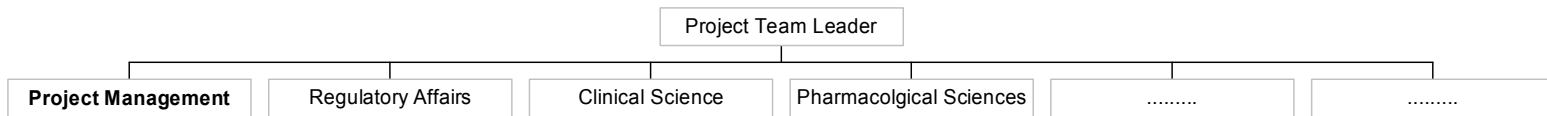
- Objectives
 - Characterize role when project management is organized as a member of the project team
 - Identify characteristic features
 - » Strengths, weaknesses, opportunities
 - Not to recommend the “right” system or even the “ideal” system
 - Rather to identify and discuss factors to consider in:
 - » Designing a system
 - » Practicing within a given system
- Contents
 - Definitions
 - Project Coordinator
 - Provider of specialized PM services
 - » Meeting manager
 - » Cost and schedule manager
 - » Alliance manager
 - Head of project operations
 - Discussion

Project Manager as Team Member - Definitions

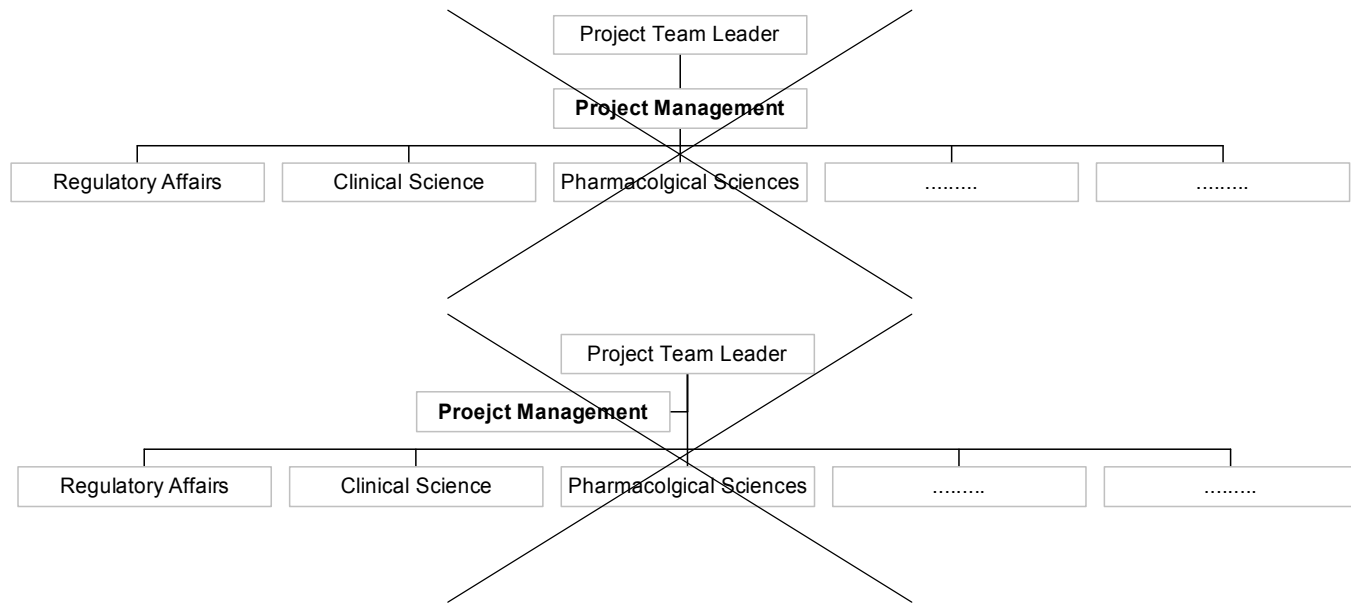
- Project leader and project manager are distinct roles fulfilled by different individuals with specific and distinct responsibilities
- PTL is project executive
 - Provides vision, inspiration, alignment with business needs, represents project
- Project manager is a team member with specific subject matter expertise and Project Management responsibilities
 - Provides project management expertise and services to the project
- Different models for PM role as team member

- Project Leadership
 - Establishing direction, aligning people, motivating and inspiring people
- General management
 - All aspects of managing an ongoing enterprise
- Project Management
 - Application of specialized knowledge, skills, and tools to project activities to meet project requirements
 - Focus on achieving objective for which project was created

Project Manager as Team Member - Definitions



Not:



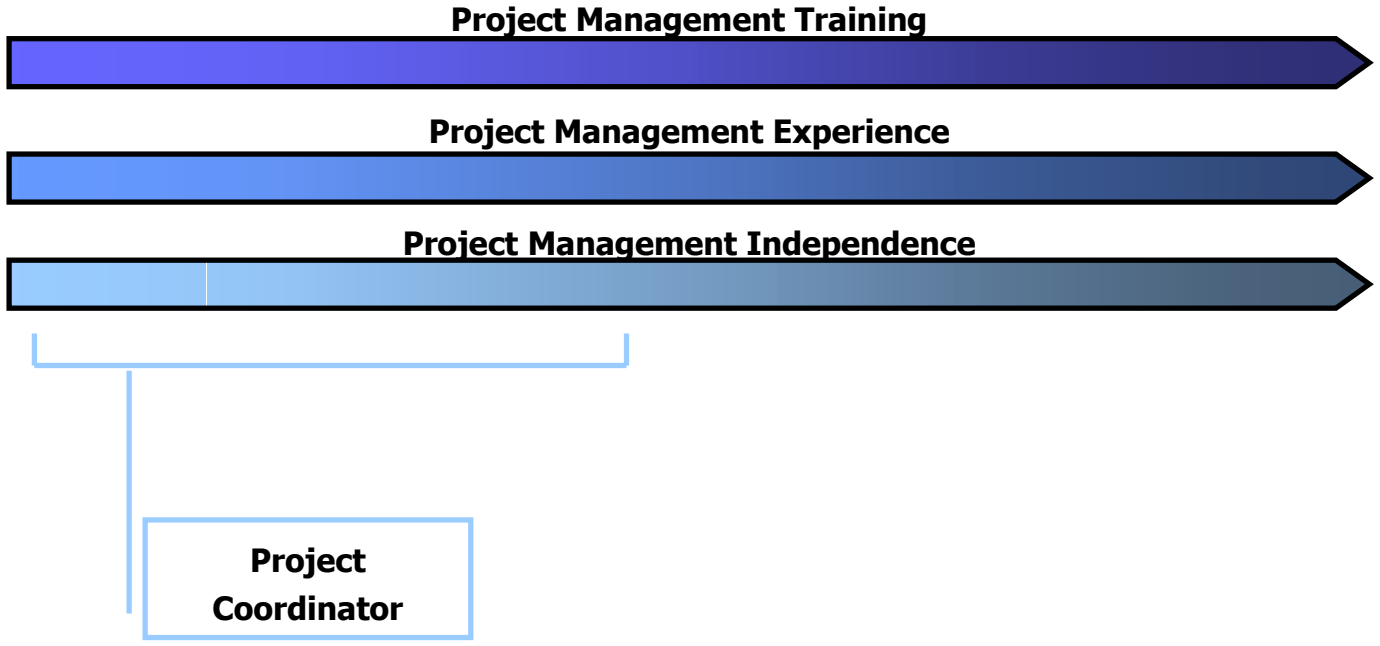
Models

- Roles
 - Project Coordinator
 - Provider of specialized PM services
 - » Meeting manager
 - » Cost and schedule manager
 - » Alliance manager
 - Head of project operations
- Competencies and relationships vary
 - Range of PM expertise and experience
 - Specific PM services included in scope of responsibilities
 - Overall range of activities
 - Degree of independence and authority
- Roles vary in different organizations and different projects within an organization
 - May grade into one another
 - May be more than one in a given organization or project
- Terminology varies widely – Focus on actual role and defined responsibilities rather than job title

PM is “Project Coordinator”

- Primary responsibility is administration of routine project business
- Specific responsibilities:
 - Manage meetings under direction (calendar meetings, distribute agendas set by others, take notes and transcribe notes into minutes for approval, follow-up status of action items)
 - Update standard reports
 - Manage project logs (risk, issues, action items, decisions)
 - Coordinate team events
- Excluded responsibilities:
 - General project planning, execution and control, e.g.,:
 - » Project organization
 - » Cost and schedule analysis and management
 - » Operational decision making
- Necessary capabilities of PM
 - Familiarity with PM terminology and concepts but little or no formal PM training
 - Familiarity with organizational processes
 - Office skills
 - Personal organizational, time management and communication skills

PM is "Project Coordinator"



PM is “Project Coordinator”

- PTL roles and responsibilities
 - Project Executive
 - Leads project
 - Directs overall strategic and tactical planning, execution and control
 - Conducts all outside relationships and communication
- PTL competencies
 - Business acumen
 - Drug development and commercialization expertise
 - Leadership
 - General management expertise
 - Project management expertise
- Relationship of PM to PTL
 - Takes overall direction from PTL or senior PM
 - Makes recommendations within scope of responsibilities
 - May manage routine business independently
 - May act as agent for PTL or senior PM

PM is “Project Coordinator”

- Strengths and advantages
 - opportunity for PM growth and development - expand scope of PM activities and responsibility while learning on the job
 - Easy staffing since coordinator is not expert or specialist
- Challenges
 - Lack of challenge for experienced PM
 - PM frustration if ambitious
 - PTL must have time, expertise and interest to manage operations as well as provide leadership
 - Some project management needs may not be met if PTL does not assume responsibility due to lack of time, interest, skill, or formal definition of role
- Examples:
 - Specialized administrative support for one or more PMs
 - Learning role for entry level PM as associate or assistant PM

PM Provides Specialized PM Services - Meeting Manager

- Primary responsibility is *management of ongoing and ad hoc project meetings*
- Specific Responsibilities
 - Manage meetings independently (calendar meetings, set agenda, write and distribute minutes, ensure execution of action items)
 - Create and manage team charter (mission, member roles and responsibilities, operating agreement, decision methodology)
- Necessary capabilities of PM
 - Minimum PM training
 - Advanced meeting facilitation (decision making, negotiation, influence skills, communication, interpersonal dynamics)
 - Familiarity with organizational processes
- Examples:
 - Standing management or review committees
 - » “Meeting Manager”
 - » PM
 - Certain project subteams
 - » Coordinator
 - » One role, among others, with limited responsibilities for PM

PM Provides Specialized PM Services

- Planner and Controller (financial and schedule analyst)

- Primary responsibility is planning, managing and reporting project budget and schedule
- Specific responsibilities
 - Assemble team and management input into cost forecast, budget and schedule
 - Update, track and report budget and schedule performance
 - Perform budget and schedule analyses for management and project team
 - Negotiate budget and schedule with collaborators and stakeholders
 - Direct schedule and budget risk management
- Necessary capabilities of PM
 - Advanced training and experience in financial and schedule management and analysis
 - Influence skills
 - Communication
 - Basic PM knowledge
- Examples
 - Pharmaceutical collaborators
 - » Communication channel to management of partner organization
 - » Provides planning and tracking services to collaborator team
 - Project Finance department and limited project schedule office
 - May be service provided by PMO

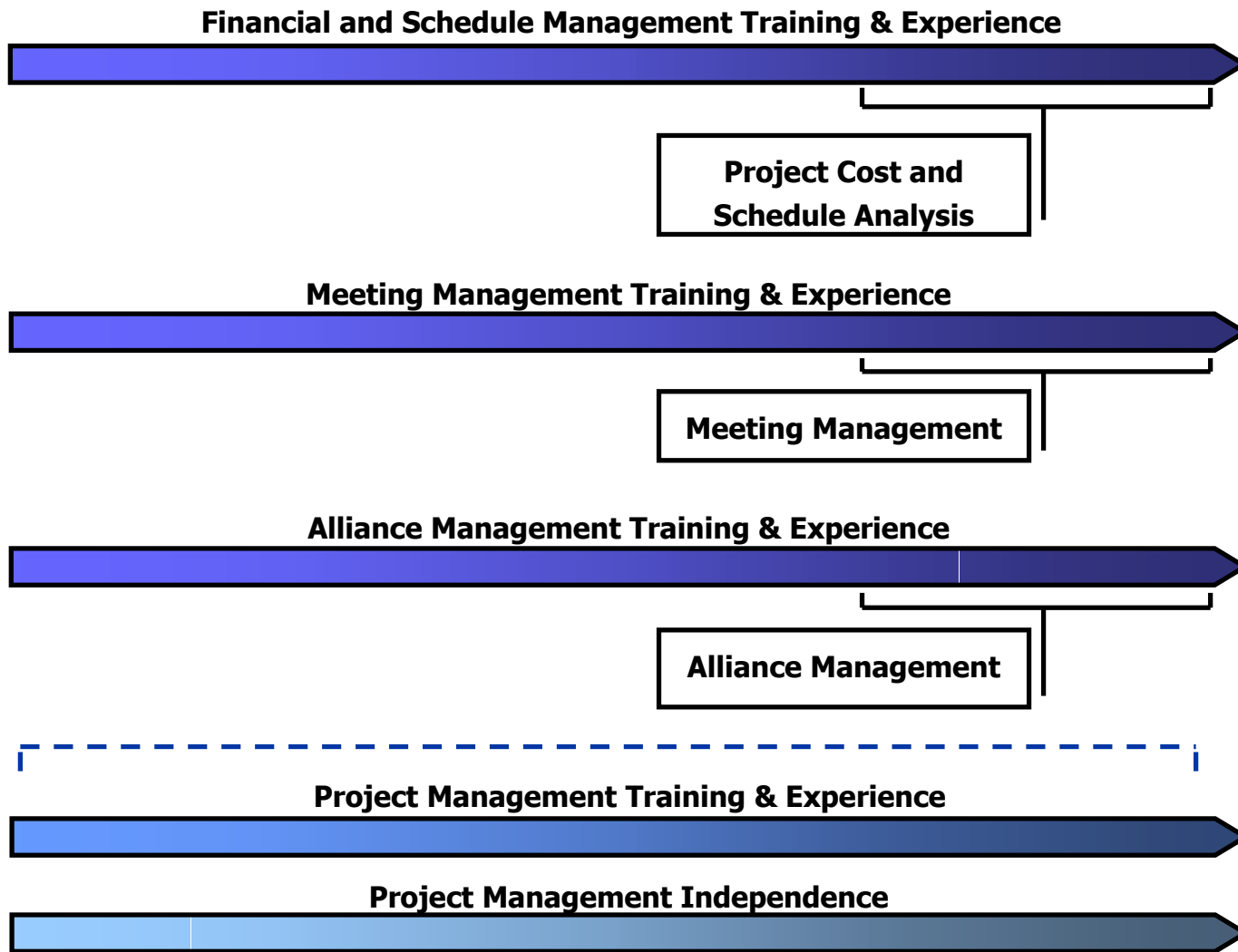
PM Provides Specialized PM Services - Alliance Manager

- Primary responsibility is building and maintaining working relationships with collaborating and contracting organizations outside the parent organization
- Specific responsibilities
 - Develop alliance management strategies
 - Manage relationships, interactions and communications with partners
 - Represent best interests of alliance to organization and project
 - Subject matter expert on alliance and contract issues
- Necessary capabilities of PM
 - Organizational, communication and interpersonal skills
 - Cultural sensitivity
 - Negotiation skills
 - Financial expertise
 - Influence management
 - Contract management
 - Basic PM knowledge
- Examples
 - Large, complex multi-party commercial collaborations
 - » Not in pure form – has other PM duties
 - » Collaborates with corporate global operations office
 - Contract manufacturing

PM Provides Specialized PM Services - Other

- Could add:
 - Project planner
 - Risk manager
 - Project quality manager
 - Procurement
 - Team development
- Rarely implemented as separate individuals in biopharmaceutical companies

PM Provides Specialized PM Services



PM is Provider of Specialized PM Services

- PTL roles and responsibilities
 - Leads project
 - Directs overall strategic and tactical planning, execution and control
 - Delegates responsibility for specialized activities to expert
- PTL competencies
 - Business acumen
 - Drug development and commercialization expertise
 - Leadership
 - General management expertise
 - Project management expertise
- Relationship of PM to PTL
 - Collaborates with PTL for matters within sphere of responsibility
 - Trusted technical advisor on matters within sphere of responsibility
 - Represent PTL on matters within sphere of responsibility
 - Direct supervision by senior PM or PTL for general project matters
 - May collaborate with other PMs with other project roles and responsibilities

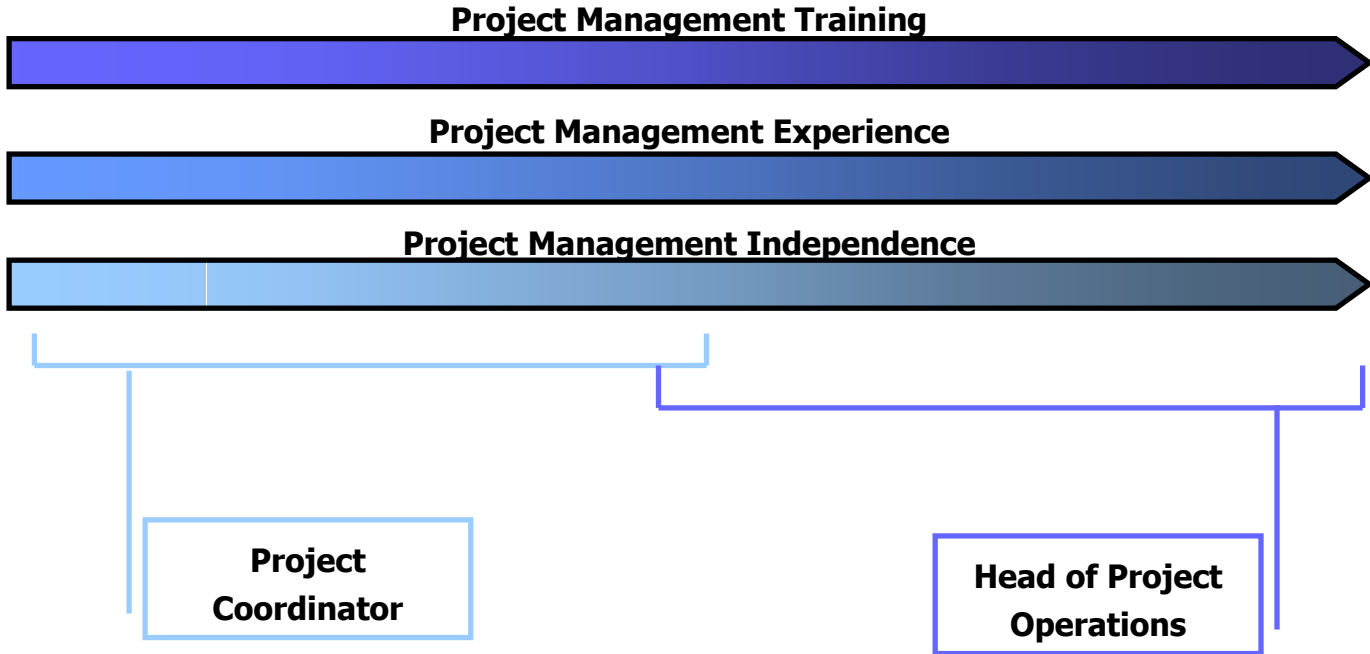
PM is Provider of Specialized PM Services

- Strengths and advantages
 - Expert provision of specialized PM services (planning, risk management, analysis, problem solving, performance measurement)
 - PTL does not need advanced expertise in specialized area
 - Opportunity for PM to become expert in specialized areas
- Challenges
 - PTL must have time, expertise and interest to manage operations as well as provide leadership
 - Some project management needs may not be met if PTL does not assume responsibility due to lack of time, interest, skill, or formal definition of role
 - Requires collaborative relationship with PTL and PMs with other roles on project
 - Experienced PM may desire broader role and responsibilities
 - May be perceived as limiting career to technical path

PM is Head of Project Operations

- Primary responsibility is planning, execution and control of project operations
- Specific responsibilities
 - Lead all strategic and tactical operational planning
 - Optimize organization
 - Oversee and directs execution
 - Make tactical operational decisions
 - Identify, develop and implement corrective and preventative activity
- Necessary capabilities of PM
 - Advanced PM training and demonstrated skills
 - Extensive PM experience
 - Extensive and broad drug development experience
 - Leadership
 - Strong general management skills and experience
 - » Strong Organizational skills
 - » Strong Communication skills
 - » Strong influence skills
 - Strategic and tactical foresight
 - Senior management confidence
 - Initiative and proactivity
- May be single individual or leader of a PM subteam (coordinator, assistant PM, schedule engineer, financial analyst, alliance manager)

PM is Head of Project Operations



PM is Head of Project Operations

- PTL roles and responsibilities
 - Leads project
 - Conducts all outside relationships and communication
 - Delegates responsibility for operations to PM
- PTL competencies
 - Business acumen
 - Drug development and commercialization expertise
 - Leadership
 - General management expertise
 - Needs only basic understanding of contribution of Project Management
- Relationship of PM to PTL
 - Collaborates with PTL on project strategy and operations
 - High degree of independence and authority
 - Makes independent decisions on tactical operational matters
 - Trusted technical advisor on operational matters
 - Serves as deputy PTL

PM is Head of Project Operations

- Strengths and advantages
 - Optimum conduct of the project
 - » Strong and focused leadership
 - » Strong and focused operational control
 - PTL does not need PM expertise
 - Ensures that PM requirements are met where PTL lacks skill, interest and/or time
- Challenges
 - Risk that day to day details will compete with PM need to address strategic planning and project organization and governance
 - » E.g., PM spends time doing meeting facilitation and fails to address planning, scheduling, risk magnet, performance evaluation, etc.
 - Building and maintaining mutual trust and collaboration between PTL and PM
 - Communicating respective roles and responsibilities to team and organization
 - Staffing projects with experienced professional PMs
 - Developing satisfactory career path for PM to transition to PTL or management
- Example
 - Basic model for project teams
 - Utilize services provided by project finance and project schedule offices
 - May have project coordinator or associate PM

Benefits Resulting from Organizing PM as Team Member

- Project and organizational benefits:
 - Broad application of professional quality PM
 - Clarity on differentiation of PM/PTL roles and responsibilities
 - Ability of PM/PTL to complement each other's skills, expertise and interests
 - Ability of PM/PTL to share a large work load
 - Provides leadership and project management where full set of required skills is not available in single individuals
 - » Small organizations
 - » Strongly functional organizations
 - Opportunity to pair complementary PTLs and PMs to optimize projects with specific requirements
- PM benefits:
 - Opportunity to develop specialized skills – perfect one's craft
 - Increased opportunity for focusing on applying professional PM
 - Recognition and reward as technical specialist
 - Opportunity to vary individual practice to complement different PTLs
 - Experience as PM can be career development step toward PTL or functional management

Challenges Resulting from Organizing PM as Team Member

- There is a risk of competition between PTL and PM
 - Perception that PM role is inferior to PTL because of matrix structure may cause frustration of personal ambition
 - Immaturity and inexperience of PM and/or PTL
 - Lack of organizational and individual understanding of the specific PM and PTL roles, responsibilities and expectations
- Confusion between PM and PTL roles and responsibilities may lead to poor project execution – missteps, dropped deliverables, conflict
- May be difficult to define a career development path from PM to PTL and/or functional management
- It may be difficult for individual PMs (and PTLs) to adjust individual practice to complement different PTLs (PMs)
- It may be difficult to identify organizational requirements where a formal methodology is lacking

Approaches to Managing Organizational Challenges

- Increase organizational maturity
 - Formally define and communicate specific PM and PTL roles, responsibilities and expectations
 - Include matrix performance in performance expectations and review process
 - Deploy formal PM methodology
- Increase personal maturity
 - Training
 - Step-wise career development (facilitator, coordinator, PM, PTL, ...)
 - Optimize PTL and PM recruiting and selection policies and process to correspond with expectations for roles and responsibilities
- In some organizations it may also be possible to contribute to its continuous improvement
- PMs and PTLs have responsibility to support organization and do job as currently defined
 - If you can not, or do not want to, function within it or work to improve it, then leave it

Summary and Conclusions

- Leadership and management are both required for successful project
 - Both PTL and PM responsibilities need to be satisfied
 - There are many ways to accomplish this
- PTL and PM roles are inherently complementary
 - PM and PTL roles require different and overlapping sets of skills (competencies) and motivations
 - Roles are different, not inferior
- PM/PTL separation allows for differentiation, specialization, sharing of workload
- More importantly, PM/PTL separation provides opportunity for complementarity and synergy
- This value requires investment in collaboration and communication
- If organization/methodology does not define the roles and responsibilities of the PTL and PM, then incumbents on each team have the responsibility to do so
- Every team member should be a leader in his/her area of responsibility
 - Vision, inspiration, alignment with business needs
 - Initiative
 - Application of best practice
 - Professionalism