Fleming.

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Project & Portfolio Management in the Pharmaceutical Industry

INTERVIEWS

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What are the main benefits of predictive modeling?

Predictive modeling, in the context of strategy and portfolio management involving discrete "what-if" scenarios as well as probabilistic Monte-Carlo analyses, allows the identification and evaluation of key sensitivity drivers which enable objective decision making around broad strategic questions relating to asset prioritization, funding strategies, trade-offs and focus to achieve a company's ambitions.

What are your best practices on budget management?

We deploy portfolio analytics to enable efficiency in capital allocation decisions across our investment portfolio in order to guide ranking and prioritization in the portfolio, which involves a financial return-rate-based prioritization. Crucial in this process is the standardization and transparency of assumptions inputted into the analysis to allow apples-to-apples comparison.

Which step in scenario planning is the most important and why?

Distilling the key and most impactful drivers of distinct scenarios (e.g., certain pipeline events) is crucial to obtaining results in meaningful and objective decision making. The quality and "reality-checking" of selected scenarios is of utmost importance, rather than the quantity of analyzed scenarios. To deliver on this goal, a thorough scenario definition phase involving all key stakeholders is critical.

Kamani Gopalakrishna

Global Regulatory Affairs

Regional Head of Regulatory Affairs, Emerging Markets

Boehringer-Ingelheim, Germany

What is the current regulatory landscape in emerging markets?

Emerging Markets, unlike mature markets, are in a constant state of regularly defining or redefining their regulations/standards. They are in variable stages of development. EMs cannot be viewed in totality as a harmonized set of countries. The diversity and complexity is a given norm, and one needs to recognize and acknowledge this. This should be a basic understanding for one who wishes to embark in Emerging Markets. This can be a positive playing field if one is able to use these opportunities of change. One needs to understand who is the key customer to regulators in huge EMs. For example, local pharma forms the bulk of the key customer base to major EMs. And hence, regulatory trends or requirements focus heavily on ensuring this customer base is adequately addressed. Emerging Markets still keep a close watch on mature markets, e.g., the EU or the US, for regulatory trends and guidelines. And registrations in a core reference market, e.g., the US or the EMA, are still an important prerequisite for most EMs. One needs to be constantly vigilant when working for Emerging Markets so as to decide and react fast, and this needs to be coupled with patience for long-term investments to pull through.

What are the main differences to consider when creating a product portfolio for an emerging markets?

In creating a product portfolio for an EM, important points of consideration include having a different mindset and time plan in terms of investment and having the time to see a benefit. A mixture of products & constant portfolio review to allow for short- & long-term strategies & business goals to be met is essential. There is no single given fixed portfolio for an EM. Each EM/sub-region in an EM functions differently and hence a variable portfolio is necessary, e.g., established products, local manufacturing to shorten timelines, local partnerships to penetrate markets, etc.

Which are the biggest barriers broadening the gap between mature markets and emerging markets?

Access to medicines is the biggest challenge and widens the gap between EMs and mature markets. The dynamic political/social climate and often times lack of proper infrastructure in EMs adds to the level of complexity and unpredictability when working with EMs in contrast to mature markets – with mature markets, you know where you are heading and can risk manage situations better. The enforcement of patent/data protection laws is one other factor that is still both a barrier as well as a major consideration, and sets EMs apart from mature markets. Furthermore, emerging markets are highly dynamic; this introduces an intrinsic competitive spin in retaining and managing talent within these markets.

Ulrike Grimm

Head Global Project and R&D Alliance Management

Vifor Pharma, Switzerland

What is the correct way to work with your portfolio management analytics?

Actually, to my experience there is no right or wrong, but more an approach to make the portfolio management analytics fit to the company's and the senior management's requirements. Hence, we agree with our senior management on what is most important to them (what parameters, key success factors) and we deliver accordingly. We may also provide additional information based on our own experience, of course.

How do you define the key portfolio metrics to trigger the action?

We compare our current data and Key Success Factors to our historical data (in-house benchmarks) as well as to external data (external benchmarks). In case we do not perform according to these benchmarks, this will trigger corrective actions.

How can you avoid being too data-driven?

The data and analysis have to serve the company strategy. Thus, the strategy and the long-term objectives always come first, providing guidance, and the data help us to understand whether we are moving in the right direction.

Moreover, quality is another important aspect that is hard to measure in data. However, it is also the most important. Imagine if you hit all the objectives of time line and budget but missed the quality standard – then you would lose it all. Therefore, quality aspects can lead to acceptance of delays and overspends.

Riccardo Mariani

R&D Finance & Resource Management Head

Chiesi Group, Italy

What are the main factors to think of when allocating R&D budget?

Many factors need to be taken into account when allocating R&D budget, which depend on the Company strategy as well as any pre-defined R&D spending on sales.
Among others, the following factors should at least be considered:

- Planned R&D activities can change in time and scope due to many factors (e.g., interaction with regulatory agencies, new data produced, new scientific knowledge, etc.), so consider future fine tuning .
- You need to consider some level of uncertainty due to the project's probability of successfully passing specific phases.
- Focus on main spenders first (both in terms of projects and functions), then move to others .
- Ensure that all scheduled milestones are supported by the necessary budget to achieve them.
- Ensure exchange of information and support negotiation between projects and functions.
- You don't merely need money – you also need human resources that can carry on activities and managers for supervising outsourced labor.

How can open innovation influence budget strategy?

You need to consider buckets dedicated to innovation developed through collaborations with universities and you also need to start early in planning the involvement of any partner or co-developer. It takes time to reach an agreement.

What are the main differences in sourcing strategies when planning for short- and long-term demand projections?

In the short term, the aim is to search for specific providers to support specific activities. In the long term, you need to work more on the strategy you want to pursue (i.e., what % of outsourcing are we aiming at? In which geographies? Which kind of services do we need? Do we need to develop partnerships for specific areas?).

Yvette Miata Pettersen

Senior Global Project Manager

Hoffmann-La Roche,
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Can you describe the checklist of what needs to be done in order to create high-performing teams?

Strong Leadership, Commitment to a Well-defined Project Vision and Strategy, Well-defined and Shared Goals, Alignment on Prioritization of Project in each Team Member's Workload, Clarity and Implementation of Roles, Responsibilities and Strengths and Weaknesses, Understanding and Acceptance of the Team Leader Role, Trust, Open and Transparent Communication, Use of Team Tools, Frequent Face-to-Face Communication

What are the main characteristics of a successful team?

The success of a team should be defined by the team itself. All team members should be asked to individually define what they would consider as "successful" for their team in Period X. At the end of Period X, these responses should be revealed and assessed against team performance. What one would expect is that the team members' definitions of "success" will span over all the factors listed in response to Question 1.

How do you ensure a working "chain of command"?

Ensure there is an understanding of organizational structure and governance and key stakeholders in the team. Develop within the team an expected interaction plan (spanning 6–12 months) with governance boards and stakeholders anchored on timing of results in the project, decision points and milestones.