

Improving Cross-Functional Performance In Pharmaceutical Development

May 14-15, 2001

Wyndham Franklin Plaza Hotel

Philadelphia, PA

PRESENTED BY

Tufts Center
for the Study of
Drug Development



AND



Achievable results

- ▶ **Reduced Time-to-Market**
- ▶ **Improved Critical Decision Making**
- ▶ **Appropriate Use of Metrics**
- ▶ **Strategic Resource Management**
- ▶ **Optimal Cross-Functional Team Communication**

Featuring information on:

- ▶ **How to define accountabilities in cross-functional organizations**
- ▶ **How *integration* of development and commercial strategies improves overall efficiency**
- ▶ **How to identify the key strategies for economic leverage in the drug development process**
- ▶ **How other industries have eliminated functions and specialization to create fully integrated cross-functional teams**

The Role of Project Management in Product Development*

Doing the right R&D—and doing it right—starts by aligning project priorities with corporate strategy

Are we doing the right R&D?

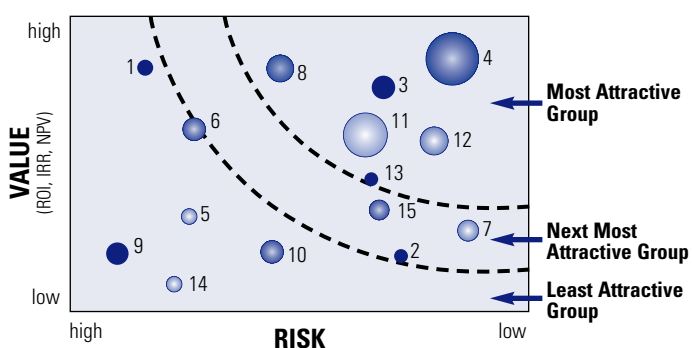
- What is the value of the portfolio? Is it enough?
- Are we getting a good return on our R&D?
- Will sales steadily increase over time?
- Do we have the right project balance?
- Which projects should get high/low priority?
- Do we have enough resources to do the job?
- Does the portfolio have value to different customer types?
- Does the portfolio fit with corporate strategy?

Are we doing R&D right?

- How valuable is this project? What is driving value?
- What resources will it require?
- How can we increase value, and what are the costs?
- What are the risks? How do we manage them?
- Should the project go to the next phase?
- What priority should we give this project?
- What is the impact of delaying the project?

Senior management buy-in and the right information help projects get continued support

Succinct delivery of complex data is key



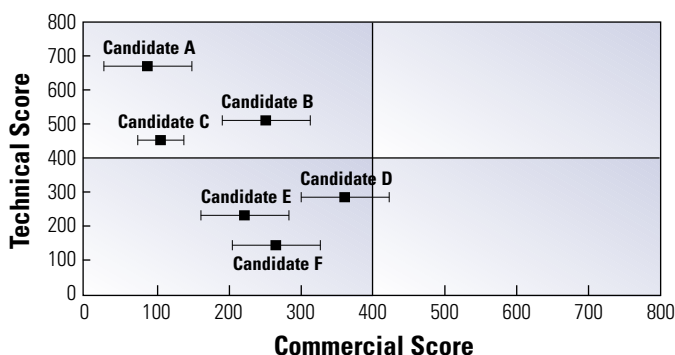
Note: Each bubble represents a drug in development. Area of bubble = anticipated total remaining development cost.

Critical success factors for projects include:

- Senior management involvement—from the beginning and throughout the project.
- The right models and processes that link project value, from research through market support.
- The right balance of simplicity, precision, and depth of understanding.
- Appropriate access to information.
- Fully resourcing the portfolio review process.

Excellent decision-making is the goal of a portfolio planning process

Consistent analysis fosters good decisions



Evaluating all drugs in development along the same dimensions won't tell you which single drug to focus on, but will facilitate the discussion that will lead to a conclusion.

- Scenario planning helps project managers understand what they will do if their primary scenario does not work out—and lets them respond quickly to changes.
- All the unknowns can't be eliminated. Therefore, don't overestimate your ability to determine the unknowns.
- Development teams add value by creating detailed assessments of the scientific rationale, clinical feasibility, and potential risks of projects.

*Tufts CSDD Impact Report, Volume 2, January 2000: *Effective Data Use Drives Portfolio Management and Global Strategies*

Note: In the keynote address, Dr. Robert Cooper addresses some of the issues contained in this report including, "Are we doing the right R&D?" and "Are we doing R&D right?"

ADVISORY BOARD MEMBERS

Jeff Antos

President
Beacon Hill Technologies, Inc.

Jane Bainbridge

Vice President, Global Project Manager
Pharmacia Corporation

Janet Foulkes, B.Sc., M.B.A.

Senior Director / Group Leader, MSO
Pfizer, Inc.

Charles T. Gombar, Ph.D.

Senior Director, Project Management,
Neuroscience
Wyeth-Ayerst Research

Susan T. Hall, Ph.D.

U.S. Site Director, WW Project Planning
GlaxoSmithKline

Kenneth I. Kaitin, Ph.D.

Director
Tufts Center for the Study of Drug Development

WHO SHOULD ATTEND

This conference is designed for **VPs, Directors** and **Senior Managers** of:

Project Planning

Product Development

R&D

Drug Development

Strategic Planning

Portfolio Management



For 25 years the Tufts Center for the Study of Drug Development has been the leader in drug development strategy and policy analysis. The Management Roundtable has been a leading knowledge resource for product development professionals for over 20 years. Together we are creating an exclusive resource devoted to improving cross-functional performance in pharmaceutical development.

In keynote and feature presentations, this conference will offer the insights of leading product development experts from within the pharmaceutical industry as well as from other industries. The case histories from pharmaceutical companies will provide valuable lessons in implementation planning. To round out the experience, several talks discussing the bricks and mortar of building and maintaining cross-functional teams and monitoring and tracking cross-functional performance will provide the tools for improving efficiency.

This conference will help you improve the quality of cross-functional performance in your organization. The sessions, themes, speakers and dialogue are centered around optimizing efficiencies across the entire product lifecycle — creating real value and dramatically improving profits.

KEYNOTE PRESENTATION



Dr. Robert G. Cooper
Co-author, *Portfolio Management for New Products*, and developer of the Stage-Gate™ process

Winning at New Products: Creating and Launching Superior New Products

There are two ways to win at new products. The first is by *doing projects right*. Dr. Cooper outlines the ten critical success factors in product innovation—factors that separate winning project teams from the rest—based on his extensive studies of successful versus unsuccessful new product ventures. These ten success factors are then fashioned into a cross-functional game plan for success—a Stage-Gate™ roadmap that charts the way from idea to launch and integrates the key functions in the innovation process. (Cooper is developer of the Stage-Gate™ process, now employed by leading firms around the world to get new products to market quickly and effectively.)

The second way to win is by doing the right projects. Cooper, co-author of the pioneering book *Portfolio Management for New Products*, outlines best practices for project selection and portfolio management. A cross-functional method for project prioritization is essential if all involved departments are to have the same development priorities and rankings. This part of the talk is based on Cooper's recent study of leading firms' portfolio management methods.

Dr. ROBERT G. COOPER is Professor of Marketing at McMaster University in Canada and also the ISBM Distinguished Research Fellow at Penn State University. He is a leading expert in the field of management of new products, and has won a number of awards for his writings and methods. He is also Crawford Fellow of the Product Development & Management Association. Cooper is author of five books on new product management, including the popular *Winning at New Products* which has become the bible for firms implementing a Stage-Gate™ process.

FEATURE PRESENTATION



Preston G. Smith
New Product Dynamics, and co-author, *Developing Products in Half the Time*

Accelerating Time-to-Peak Sales: Leveraging Lessons Learned in Other Industries

Although pharmaceutical development has its own distinct challenges, acceleration techniques proven successful in other large-company, high-tech environments are adaptable to drug development:

- Overcoming delays in the fuzzy front end;
- Staffing teams to balance speed with budget;
- Transferring knowledge swiftly and effectively across functions;
- Enhancing communication across dispersed teams through partial co-location and clear protocols;
- Applying the cost of delay clearly and consistently;
- Viewing phase transitions from a cost-benefit perspective.

PRESTON G. SMITH, New Product Dynamics, co-author of *Developing Products in Half the Time: New Rules, New Tools*, leads this featured presentation. Preston has twenty years of industrial experience with IBM, AT&T, GM and Pratt & Whitney Aircraft, and has worked exclusively on accelerated product development for over ten years. Preston's expertise is in diagnosing the weaknesses in a company's development cycle, facilitating the implementation of accelerated development methods and associated training. He has led over a hundred seminars on fast cycle product development in the U.S. and abroad and has taught product development courses at three universities. In addition to publishing numerous articles on the techniques of speeding up product development, Preston is author (with Donald Reinersten) of *Developing Products in Half the Time*, a practical guide to fast cycle approaches.

Monday, May 14, 2001 – Day One

10:00 – 1:00	Registration
1:00 – 1:15	WELCOME AND INTRODUCTION: Conference Chair Kenneth I. Kaitin , Ph.D., Director, Tufts Center for the Study of Drug Development, Tufts University, Boston, MA
1:15 – 2:45	KEYNOTE PRESENTATION: <i>Winning at New Products: Creating & Launching Superior New Products</i> Dr. Robert G. Cooper , developer of Stage-Gate™ process and co-author of <i>Portfolio Management for New Products</i>
2:45 – 3:15	Refreshment Break
3:15 – 4:45	SESSION I: Building and Maintaining Cross-Functional Teams Session Chair: Jeff Antos, President, Beacon Hill Technologies In this session the following topics will be examined: <ul style="list-style-type: none"> • Organizational structures • Matrix management • Dealing with conflict <p><i>Creating and Maintaining a High Performance Cross-Functional Team</i> Jeff Antos, President, Beacon Hill Technologies</p> <p>Additional presenter to be announced</p>
4:45 – 5:30	Pharmaceutical Case Study on Organizational Structure
5:30 – 7:30	Cross-Functional Networking Reception

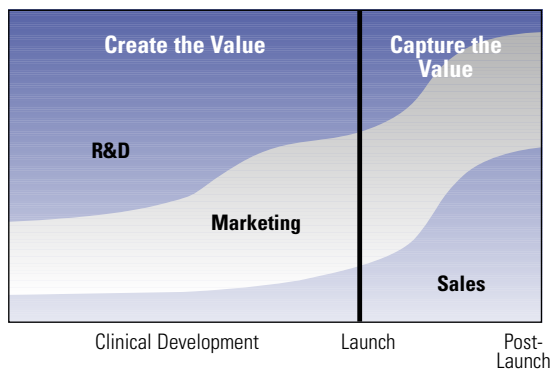
Tuesday, May 15, 2001 – Day Two

7:30	Continental Breakfast
8:30 – 9:30	FEATURE PRESENTATION: <i>Accelerating Time-to-Peak Sales: Leveraging Lessons Learned in Other Industries</i> Preston G. Smith , New Product Dynamics, co-author, <i>Developing Products in Half the Time: New Rules, New Tools</i>
9:30 – 10:15	Pharmaceutical Case Study on Matrix Management – Pharmacia Corporation (<i>speaker to be announced</i>)
10:15 – 10:45	Refreshment Break
10:45 – 12:30	Interactive Break Out Sessions
12:30 – 1:30	Luncheon
1:30 – 2:15	Pharmaceutical Case Study on Resource Management – Pfizer Inc. (<i>invited</i>)
2:15 – 5:00	SESSION II: Monitoring and Tracking Cross-Functional Performance Session Chair: Jerry Cacciotti, Managing Director, Life Sciences Practice In this session the following topics will be examined: <ul style="list-style-type: none"> • Resource forecasting • Metrics for measuring team performance <p><i>Maximize the Value of Resource Management through Cross-Functional Teaming</i> Jerry Cacciotti, Managing Director Life Sciences Practice, Strategic Decisions Group</p> <p><i>The Cross-Functional Transformation at IBM</i> Shakil Ahmed, former Director, IPD Process Management, IBM Corporation</p> <p><i>There will be a 30-minute refreshment break from 3:00 to 3:30 p.m.</i></p>
5:00	Conference Wrap-Up and Adjournment

Cross-Functional Team Focus on Marketing Is Key to Project Success*

Cross-functional teams eliminate silo thinking, maximizing accountability and product success

Customer-focused product flow



- Cross-functional teams exist throughout product life—R&D, marketing, and sales work together from development through post-launch:
 - Marketing and sales activity should start 2-3 years before product launch.
 - Post-launch R&D involvement leads to greater total product sales sooner rather than later.
- The goal of joint development and marketing and sales teams is to maximize resource use.
- Team members are best engaged when they share ownership of the entire product lifecycle; management’s role is to ensure that sense of ownership.

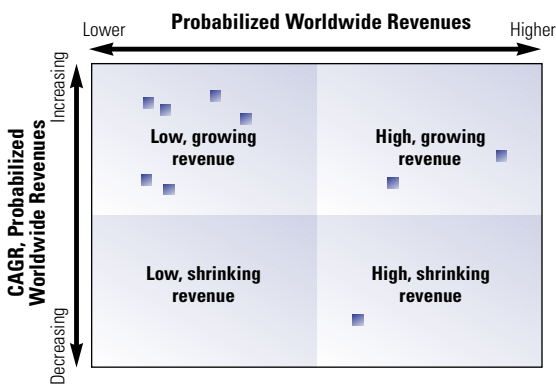
Competitive advantage flows from knowledge management within and between projects

Project Management Is Changing	
Traditional Focus <ul style="list-style-type: none"> • Company standards • Deliverables • Overall project timing • Scientific detailing of package • Risk and contingency planning 	Customer-Market Focus <ul style="list-style-type: none"> • Industry/customer standards • Strategy • Budget and cost forecasting • People and resource allocation • Outsourcing strategies and practices

- Knowledge management, largely unused in the non-scientific aspects of product management to date, should be rapidly deployed.
- Knowledge management provides the communication/market research infrastructure critical to the success of cross-functional teams:
 - Since blockbusters are rare and largely unpredictable, niche products will be the path to fuller commercial success. Knowledge management will play a critical role in understanding trends and servicing customers.
 - With key constituencies—physicians, end users, regulators—in constant flux, their demands and needs will require close attention.

Trade-offs across a range of launched and pre-launch products must be evaluated

Launched products compete for resources based on near-term revenues and growth



- Strategic considerations include:
 - Financial viability: Do the ends justify the means?
 - Franchise strategy: Does this fit with our business?
 - Risk analysis: Is commercial success likely?
- Key success factors include:
 - Target patient population—indication selection speed vs. population vs. price
 - Medical education; patient awareness/compliance
 - Health economics—endpoints relevant to payers
 - Capacity planning
- Other evaluation criteria include the ability to develop a portfolio for a single compound, the potential to leverage newly acquired expertise, and the long-term market value of a disease area.

*Tufts CSDD Impact Report, Volume 2, December 2000, *Cross-Functional Team Focus on Marketing Is Key to Project Success*
 Note: Sessions I and II of the conference on “Building and Maintaining Cross-Functional Teams” and “Monitoring and Tracking Cross functional Performance” emphasize many of the issues examined in this Tufts CSDD Impact Report.

REGISTRATION FORM



Improving Cross-Functional Performance In Pharmaceutical Development

Dates The conference will begin at 1:00 p.m. (registration from 10:00 a.m. to 1:00 p.m.) on Monday May 14, 2001. The program adjourns at 5:00 p.m. on Tuesday, May 15, 2001.

Location & Hotel Accommodations The conference is being held at the Wyndham Franklin Plaza Hotel, 17th and Race Streets, Philadelphia, PA 19103. Call the hotel directly at 215-448-2000 for room reservations. Please mention Management Roundtable to receive the special rate (block of rooms on a space-available basis through April 13/01).

Program Fee Fee of \$1795 includes main conference and break out sessions, networking reception, continental breakfast, luncheon and refreshment breaks, and conference documentation binder.

FOUR WAYS TO REGISTER:

Call: 800/338-2223 or 781/891-8080 (weekdays, 9:00am–5:30pm EST)

Fax to: 781/398-1889

Internet: info@pharmcentric.com or www.pharmcentric.com

Mail to: Management Roundtable, 92 Crescent Street, Waltham MA 02453

Please accept the following registration(s): *(please use photocopies for additional people)*

Name: Mr. / Ms. / Dr. _____

Title: _____

Company: _____ Department _____

Address: _____

City/State/Zip: _____

Phone: _____

Fax: _____

Email: _____

Payment Information (Total Amount \$ _____)

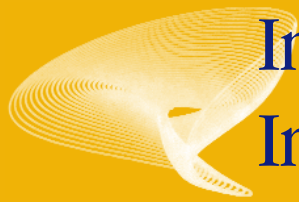
Check enclosed, payable in US funds to *Management Roundtable, Inc.*

Please bill by Visa Mastercard AMEX Diners Club

Account No. _____ Exp. Date: _____

Signature _____

Please bill my company. PO# _____.



Improving Cross-Functional Performance In Pharmaceutical Development

May 14-15, 2001
Wyndham Franklin Plaza Hotel
Philadelphia, PA

PRESENTED BY

Tufts Center
for the Study of
Drug Development



192 South Street
Suite 550
Boston, MA 02111
tel 617/636-2187
fax 617/636-2425
www.tufts.edu/med/csdd

AND



92 Crescent Street
Waltham, MA 02453
tel 781/891-8080
fax 781/398-1889
www.ManagementRoundtable.com