

Successful Supply Chain Engineering Projects

Implementing Large-Scale SCE Projects in the Pharmaceutical Industry with a Project Management Office



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lows a proven standard operating model, as shown in figure 2.

Strong Coordination Needed

In the onboarding and set-up PMO phase, the PMO is initially designed as an element of the entire project management. Here, a very strong coordination with the technical general project management takes place. Experience has shown that the subsequent selection and procurement of the right personnel resources is a very critical issue, and since this can also become critical from time to time during the course of the project, it is advisable to monitor „resources“ regularly via the (subproject) status. In large-scale pharmaceutical logistics projects, it is important that the project team members have not only management skills but also logistics and pharmaceutical expertise, since experience has shown that gaps in this area hinder project progress at a very early stage.

The introduction of the project management tool set includes the definition and coordination of the required tools and templates (e.g., project status report). Here, „less is more“ —the aim is to enable project managers to lead in a goal-oriented manner with „a handful“ of project management tools. PMO sets appropriate standards for the project. The definition of the objectives, task packages and rules for the project organization and subprojects is carried out with the project specifications at subproject level and the project handbook for the overall project. In addition, the topic of „risk management“, which is important in the pharmaceutical industry, is set up early and holistically and established as a relevant component of the subsequent implementation management.

Large-scale projects in pharmaceutical logistics are complex, long-term and investment-intensive projects that can only be successfully implemented with an assertive and goal-oriented large-scale project organization structure. The installation of a powerful overall project management, consisting of the comprehensive project management (PM) and a supplementary project management office (PMO), is critical to success. Overall project management requires both specialist logistics expertise and specific management skills.

The PMO has become increasingly established in supply chain engineering (SCE). In this context, a PMO is installed as an essential part of the project organization. Since SCE usually involves long-running large-scale projects, the PMO assumes an institutional function with a „permanent character“ in the project. In addition to the administrative aspects, a PMO puts the management component in the foreground. Often, overall project managers have a strong technical orientation and it is therefore important that this gap in management is filled by a complementary PMO. Experience shows that a PMO can generate the following potential benefits:

- More flexible readiness to act on the part of management and implementation of task force activities
- Use of production and logistics consultants who are not only technical experts but also managers
- The „language of management“ is combined with operational implementation orientation
- Reporting, communication and targeted support in the right place is an enabler in large projects

Transparency and Communication

A higher-level PMO focuses on transparency and communication throughout the customer organization as well as control/coordination including ac-

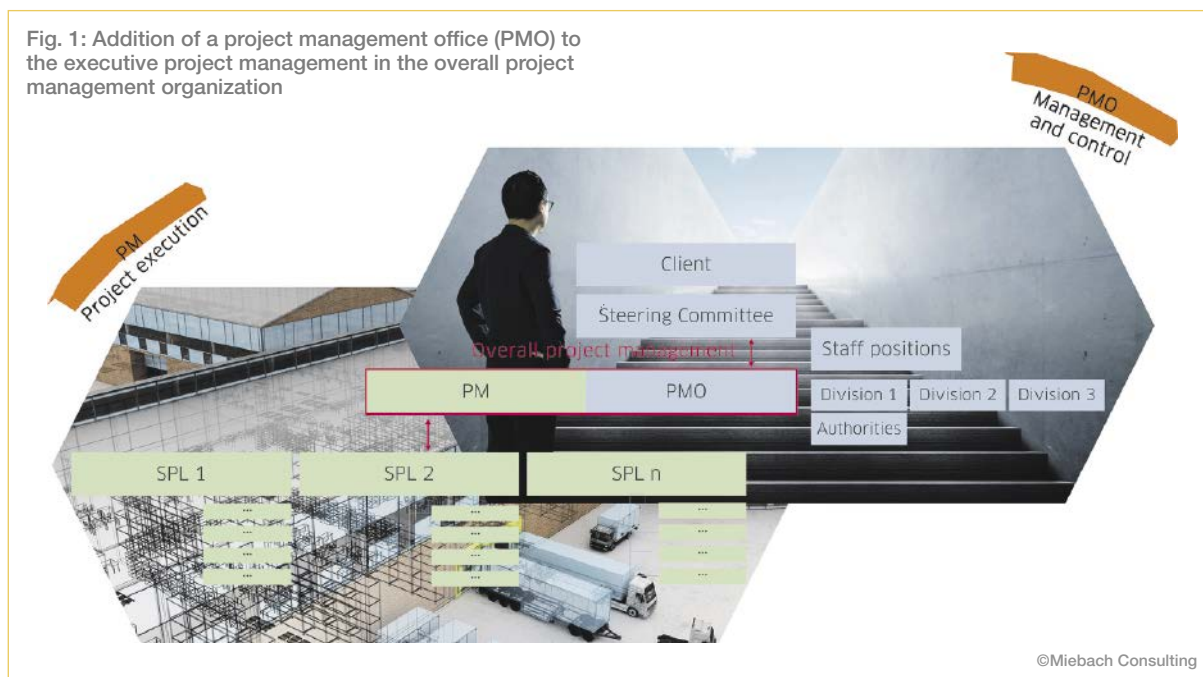
companying peripheral projects. The focus is on the following topics:

- Stakeholder management and communication within the corporate organization
- Introduction of PM tools and templates
- Task force/special projects
- Preparation and support of steering committees, organization and documentation of meetings
- Creation of transparency, preparation of reports and management-oriented presentations
- Deadline controlling (including board-appropriate reporting)
- Cost controlling/business case
- Risk & opportunities management
- Change interventions

The project management of the general planning in logistics has a strong executive character and includes topics such as quality assurance, overall schedule, budget control, management of change requests, interface coordination of the subprojects construction, intralogistics and IT, etc. Figure 1 shows an example of how the PMO, together with the PM, represents the overall project management as a central management function in the large SCE project.

The conceptual design and ongoing implementation of the PMO fol-

Fig. 1: Addition of a project management office (PMO) to the executive project management in the overall project management organization



The set-up of the web PM tool and communication as well as clarification of the change management instruments is also an important part of the PMO implementation preparation. A goal-oriented meeting structure is critical to the success of subsequent implementation management. Here, the focus is on communication as well as management and information of all project participants. The core meeting is the weekly meeting in which the overall project management requests the project status from the subproject managers. A typical project organization chart for large-scale pharmaceutical logistics projects includes the building/tenant fit-out, intralogistics, simulation (with a focus on intralogistics processes and technology), IT (warehouse management system) and ramp-up (intralogistics and IT) trades, which are integrated as separate subprojects under the overall project management.

Project Handbook Is the „Basic Law“

With the project kick-off, a joint initiation of the project takes place and first meetings are launched afterwards. The project handbook is presented in excerpts and is the „basic law“ for further project implementation. It provides the leverage for the project managers to be able to lead the assigned project staff outside the disciplinary management possibilities of the corporate organization. Early on after kick-off, the project schedule should be approved for the duration of the project, and the subsequent ongoing adjustments can be controlled by the PMO across the board.

The top issue in the pharmaceutical sector, „cost optimization“, is also taken into account at an early stage by installing a cost management system. A cash flow plan, including all logistics trades that are put out to ten-

der, can be easily transferred to a controlling function once the trades have been awarded. The PMO coaches the sub-project managers, e.g. in communication towards the management meetings and with regard to the use of project management tools, and there is ongoing support in the implementation of meetings, technical sparring and, on a case-by-case basis, the implementation of workshops. The PMO accompanies the implementation of all relevant management meetings. Weekly or regular communication via status meetings, in which the relevant project management leadership levels report and exchange information, is the basis for overall project management to make decisions and initiate escalations.

An important aspect of implementation management is status monitoring and reporting. Clear rules

for setting statuses (in terms of time, costs, quality and resources) and presentation of implementation progress, next steps, risks with countermeasures, and decision-making requirements create transparency. In addition to regularly querying and preparing subproject status reports, PMO queries the progress of subproject schedules and aggregates them into an overarching overall project schedule.

Particularly in the case of the tenders frequently carried out in logistics in the area of intralogistics and warehouse management systems, it is critical for success that the selection of technology and IT suppliers is carried out on schedule and in the required quality with permanent control of the responsible sub-projects. The topic of „regulations“ is also essential in the pharmaceutical sector and should be addressed early on with PMO support.

In the fade-out phase at the end of the project, the project handbook developed at the beginning is completed as a document and, if necessary, training documents are created. The handover and briefing of the employees of the specialized departments takes place.

In summary, it can be stated that the installation of a PMO significantly increases the probability that large-scale pharmaceutical projects will be successfully implemented.

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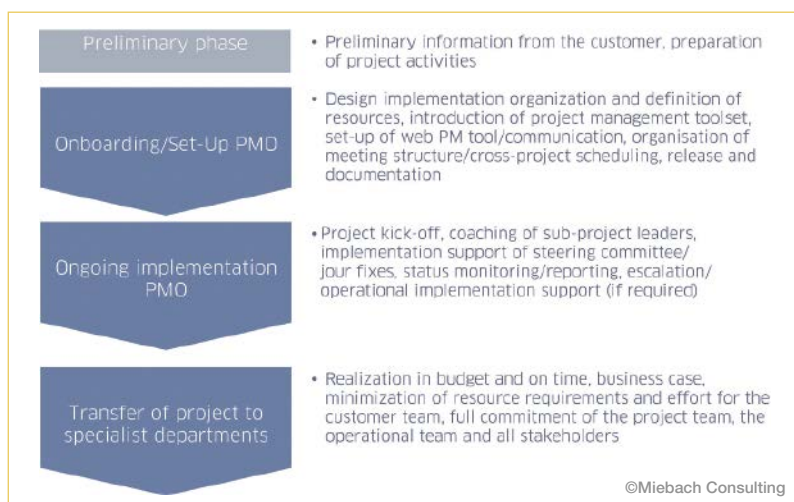


Fig. 2: Executive PMO — Overview of the different PMO facets at Miebach Consulting

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