

Managing Enterprise Performance: Making and Keeping Promises

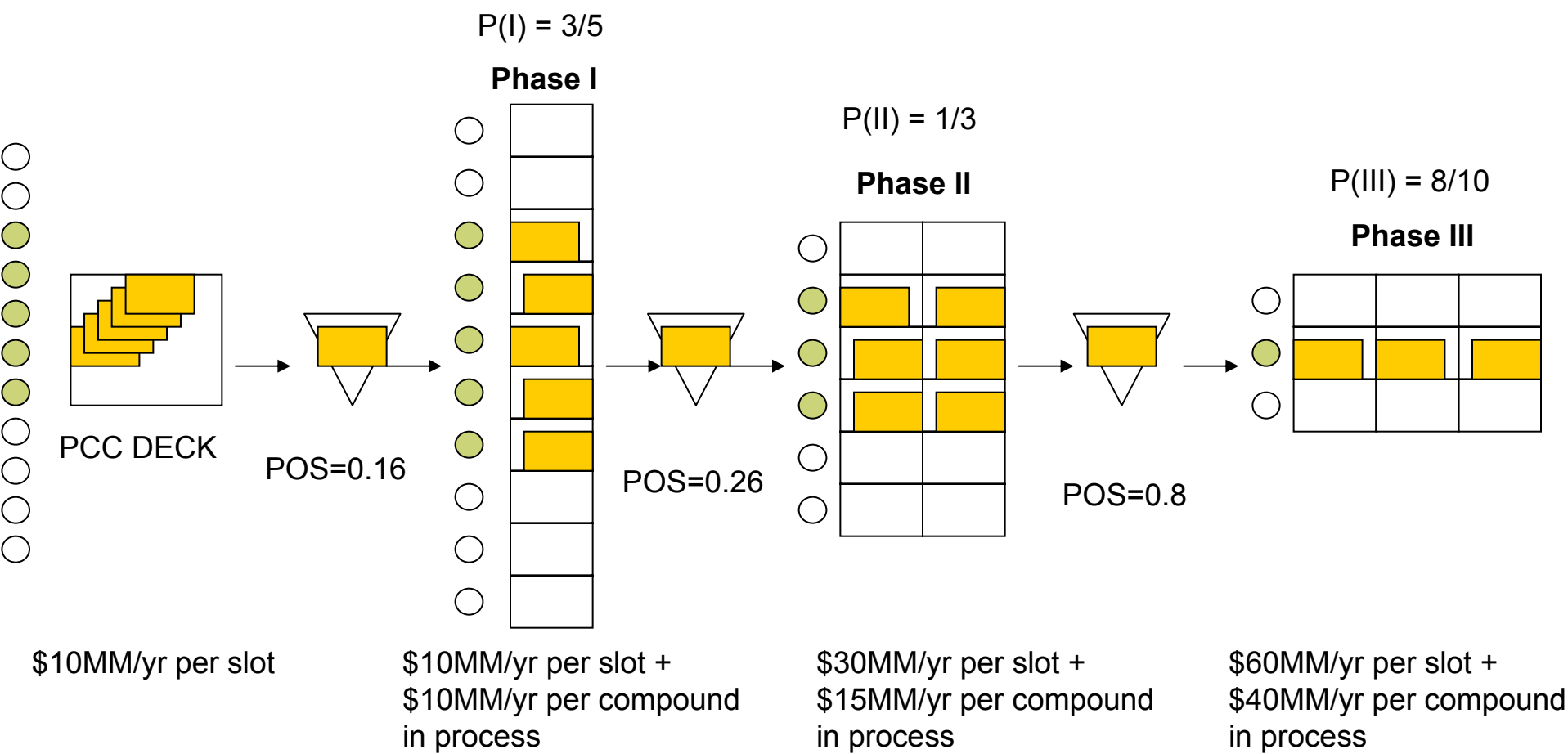
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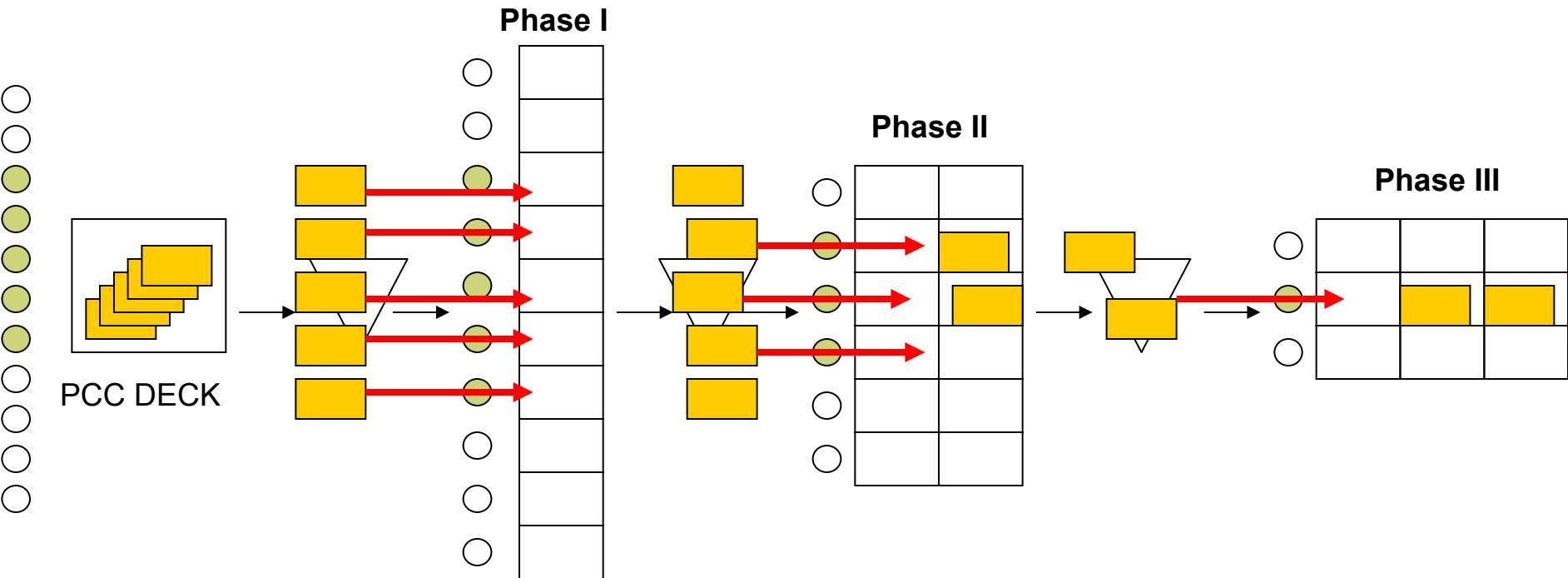
Summary of Presentation

- What is performance?
- What are the barriers to enterprise performance?
- What are some of the necessary preconditions?
- Are productivity, risk, compliance and reputation naturally at odds?
- How does integrity and ethics fit in with all of this?
- What to do about all this enterprise performance stuff?

Simple Schematic of the Pharma R&D System



Pharma R&D System Dynamics



Excellent Performance in this system is revealing the biopharmaceutical, efficacy and safety properties of a compound, with proper understanding of opportunities precluded, so that we can understand if these properties are likely to be registerable, clinically meaningful and sufficiently marketable.

Points on enterprise performance

- Performance must be explicitly defined to ensure it can be managed well.
- The entirety of the organization must be able to summarize the definition and relate to it
- Excellent performance in the Pharma R&D System has three components:
 - Striving in the right way, at the right pace.
 - Striving always with an eye towards what opportunities might be precluded.
 - Achieving throughput sufficient to meet the financial goals of the firm.

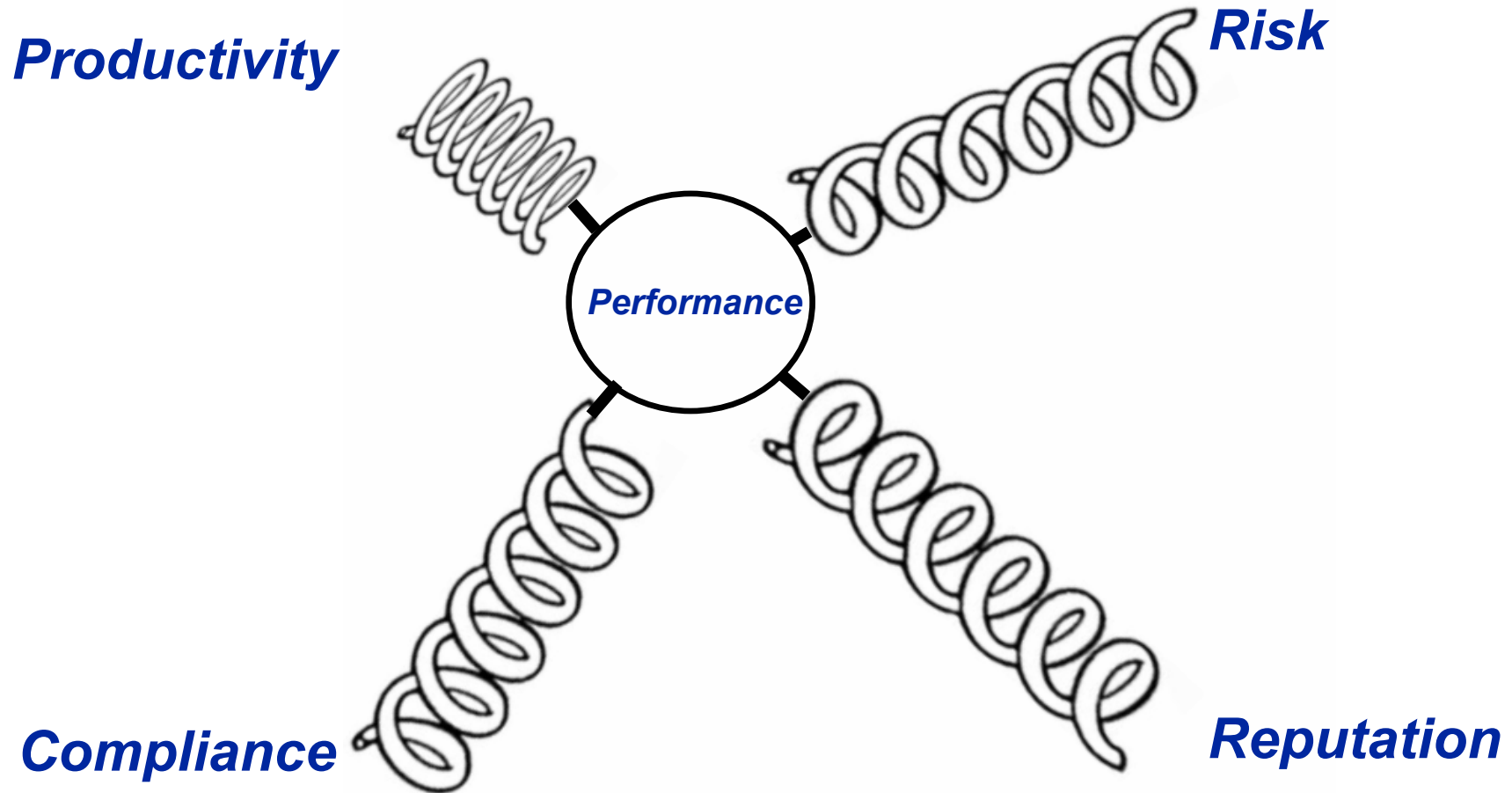
Barriers to enterprise performance

- Lack of definition
- Moral Hazard
- Terminal Certainty
- Determinism
- Gentility above leadership principle

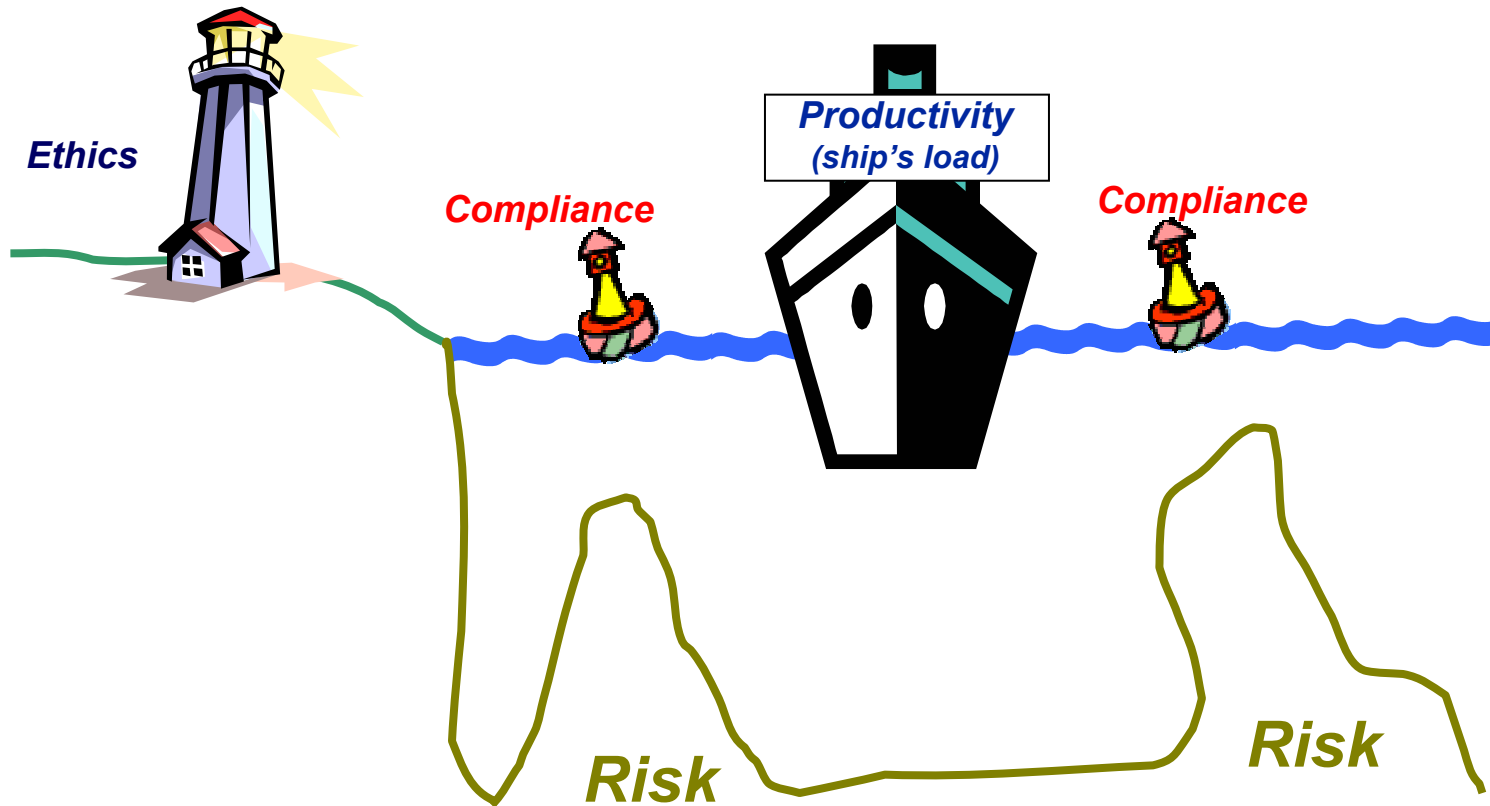
Some preconditions for enterprise performance

- Ability to make and keep promises
- Define enterprise performance, and ingrain it in the business
 - plan it, measure it, manage it
- Accountability and discipline
- Build capability, but fund outcomes
- Promote and direct purposeful Devil's Advocacy
- Let Value of Information drive experimentation
- Don't let gentility trump candor and tough decisions

One model for productivity, risk, compliance and reputation



Alternative model for productivity, risk, compliance and reputation



1. ***Compliance and patient risk will sink you***
2. ***The channel is well marked***
3. ***Ethics will always guide you***
4. ***Reputation is earned when productivity is delivered***