

A Day in the Life of...

Mike Gammage

As her latest CEO webinar closed and she looked around the room, Anne knew that she'd pushed her company forward again.

No matter how good the technology, at the end of the day it was about people – so she had insisted that every significant transformation project was launched properly. And for bigger projects, like this one, that meant her hosting the launch and showing her commitment to continuous improvement.

Since she took over as CEO at Pharma Dynamics back in 2007, she had embedded continuous improvement into the company's culture. The mechanics of change were almost automatic by now – managing change well had become business as usual.

This latest project, to improve the way the company's manufacturing units in East Asia integrated with a new component supplier in Hungary, was typical. From the original idea through her own authorization, she had tracked its progress through the company's Lifecycle change environment.

Like most projects these days, it wasn't going to deliver a dramatic ROI – maybe it would make the supply chain just one or two percent more efficient in this case – but it was yet another in a continuous and relentless stream of business improvement projects.

The ability of Pharma Dynamics to generate projects like this, and execute them well, was what competitors envied and analysts valued.

Their changes had not always been this straightforward. Like most major corporations, Pharma Dynamics had spent the 90s going through dramatic interventions to re-engineer the business and implement ever bigger software packages. There was a lot of smoke and noise, and things changed, but when the last consultant's BMW pulled away it wasn't necessarily obvious that different was better, or that the pain had been worth the cost.

Lurching companies forward through Big Bangs went out of style; it came to be seen as a shallow, easy option when compared with positively transforming people, processes, and culture. Improving any company's game now was organic – about incremental change, with everyone being involved. Workforce engagement had become recognized as critical in managing change well.

Anne had sensed this change in her previous role as CIO at Pharma Dynamics, and it was a pivotal moment in her career. Like most of her executive colleagues, Anne had experimented with Six Sigma and other process improvement methods. They'd delivered but not convincingly; the initial energy behind each project was often dissipated early on, and it wasn't clear that costs weren't simply being shunted around the business, rather than truly taken out. And, frequently, the enthusiasm for change, and people's involvement in it, was limited to a small band pressing on against the odds. Anne knew from the “change fatigue” she'd seen on her improvement projects that continuous change demanded new thinking.

Coming at it from the data end, the CFO had initiated projects using dashboards and scorecards to drive performance improvement. But their value was fundamentally constrained because the metrics were disconnected from the business processes: The traffic light was blinking red – but the causes and the potential remedies were not usually obvious.

Human capital development was moving up the Board's agenda. The definition of leadership was

being re-focused on workforce engagement and motivation as critical capabilities in a world where outsourcing was becoming ubiquitous.

The pressure for active compliance had also driven her to search for enabling technologies that could create a new environment. “Keep me out of jail!” had become the mantra of every CEO.

When she took the Lifecycle concept to the Board, they loved it. Leveraging the capabilities of the emerging PPM (process and performance management) software applications, the Lifecycle concept promised an organization better integrated and more agile. Lifecycle would deliver an environment where performance improvement and compliance would go hand-in-hand – all threaded together around the end-to-end processes that ultimately delivered value to Pharma Dynamics customers.

Appointed CEO to deliver it, she had found that implementing Lifecycle wasn't easy. There was initial resistance to yet more change, but as she travelled around the company, selling people on Lifecycle, she noticed the climate changing. People felt increasingly empowered by being more involved, and, while tough business decisions still had to be made, and could blow things off course, the correction was quicker. Lifecycle had helped create a business that embraced change.

“Ready to go with the award?” – Her PA burst in on Anne's thoughts.

“Sure,” she said. One of the things she'd cemented into the Lifecycle culture was rewards. It was time to recognize the contribution made by the manager in Brazil who had kicked off this latest project. He had no line responsibility for the East Asia manufacturing units – but, like everyone in Pharma Dynamics, Lifecycle had given his processes visibility. By applying lessons from his supply chain work in South America, he had spotted the potential for improvement and posted the original idea on Lifecycle, which had sparked off this latest successful project. That's how best practices usually spread now across the company – collaboratively and from the grass-roots.

As she turned to the plasma wall screen for the video call, Anne wondered whether some awards didn't merit a personal visit from the CEO – to Rio, for instance...

Contributed by Mike Gammage

mike.gammage@nimbuspartners.com