

Be a Smart Manager

*Not just a ~~Good~~
one!*

Concepts

Methods

Tools

**The Seven tips
you can't ignore**



Position Paper

June 2017

"The Smart Manager knows where, why and how to go"

This position paper introduces our concept of Smart Manager, demonstrates its superiority and recommends tips to switch from a Good Manager to a Smart Manager

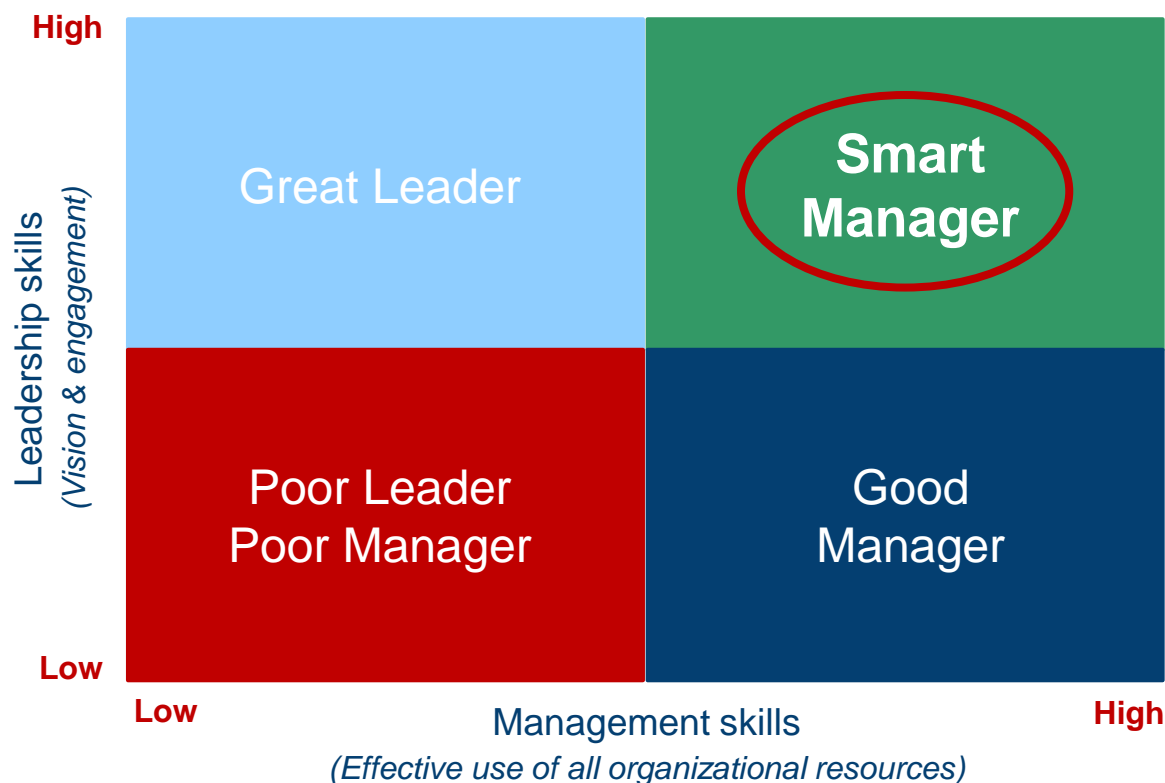
Introduction

- So many things – often contradictory and rarely applicable – having been said and published about management that it has become **difficult** to **write something new** and **pragmatic**
- Nevertheless, Smart Pharma Consulting has decided to **face the challenge** of:
 - Demonstrating **why** being a **Good Manager** is **not sufficient**...
 - ... and **why** each manager **must strive** to be a **Smart Manager**
 - Proposing **seven tips** to become a **Smart Manager**
- Our **recommendations** are based on **reference articles** and on our **own experience** of consultant and manager
- In this position paper, **we propose concepts, methods** and **tools** amongst which several have been **developed** and **tested** by **Smart Pharma Consulting**

“Management is the art of getting things done through people” – Mary Parker Follet

The Smart Manager is a visionary who has the ability to keep his collaborators engaged and motivated while meeting company's objectives in an efficient manner

The Manager / Leader matrix



- **Leaders** show the way to their collaborators by creating and communicating a vision and through their assertiveness. They excel at inspiring and engaging people so that they will strive willingly to reach organizational goals
- **Good Managers** are able to plan, organize and monitor the work of organization members, using all available organizational resources to reach a given organizational goal
- **Smart Managers** combine the skills and competencies of leaders and of good managers. They are also specifically characterized by the following dimensions:
 - High agility of mind to adjust to external and internal changes
 - Perceptual acuity to see change coming
 - Quality of judgment to formulate and select the appropriate solutions
 - Credibility to get decisions accepted by collaborators

The Smart Manager, as we define it, is a Good Manager who knows and understands strategic issues in which its actions and its collaborators actions are framed

The Smart Manager – Definition

Good Managers

A good Manager is responsible for planning, organizing, directing or monitoring the work of collaborators, while developing them, and taking corrective actions when necessary, to achieve - in the most efficient manner - the objective set

Smart Managers

A Smart Manager knows and understands the environment, is able to contribute to and express the purpose, the mission, the vision and the values of the company; to engage his collaborators, give a meaning to their actions and frame them within a clear strategy to achieve the shared objective set

The Smart Manager should be able to participate to the elaboration of purpose, mission, values, vision statements; and ensure they are understood and applied

Tip #1 – Participate to setting Purpose – Mission – Values – Vision

- The Smart Manager **contributes** to develop the company: Purpose – Mission – Vision – Values
- He **translates** them at the level of its scope of responsibility¹...
- He makes sure his **collaborators understand, share and comply with** them in their **daily activities**

Purpose
(Why we exist?)

Mission
(What we do and for whom?)

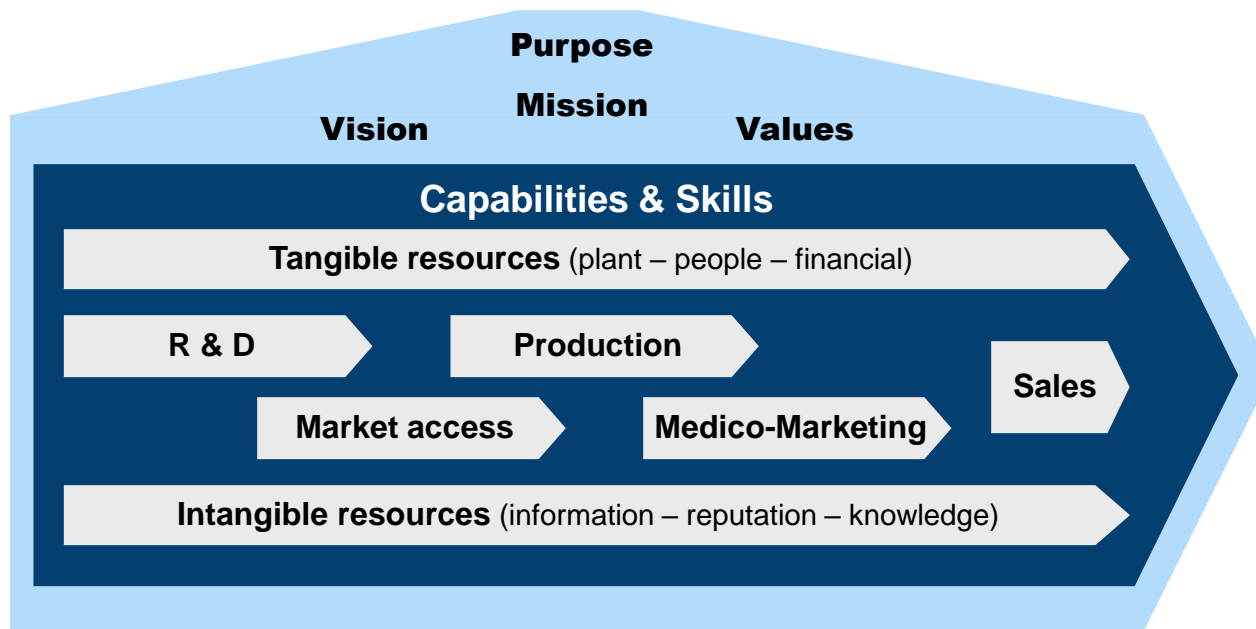
Vision²
(What we aspire to become?)

Values
(What we believe in and how we want to behave?)

The Smart Manager participates to the crafting of the market strategy and ensures the resources of the company he works for, are efficiently mobilized

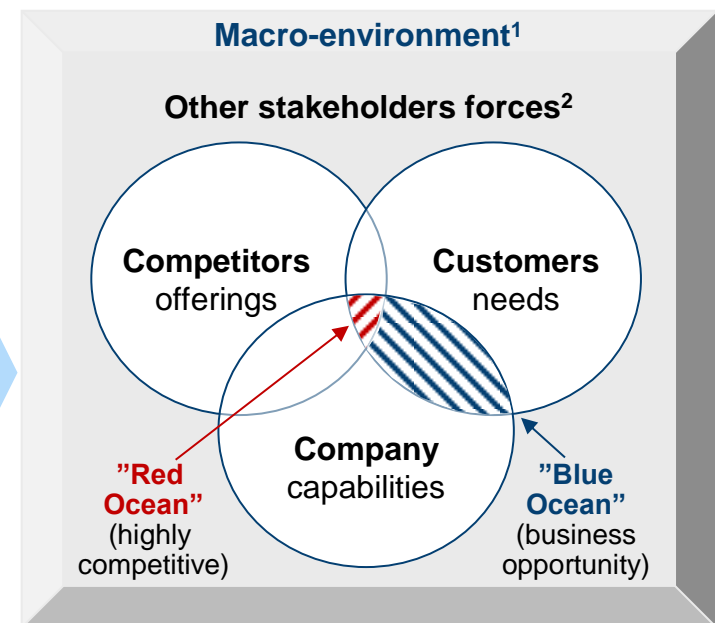
Tip #2 – Contribute to the strategy crafting

Company's business model



Strengths & Weaknesses
(Competitive advantage)

Market strategy



Opportunities & Threats
(Attractiveness & Key success factors)

Ambition & Strategic priorities

Sources: Adapted after C. Kim et R. Mauborgne 2005 – D.J. Collis, HBR April 2008, M. Porter 1985 – Smart Pharma Consulting

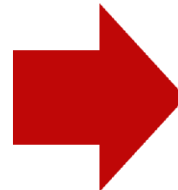
¹ Political, legal, economic, socio-demographic and technological factors –
² Including suppliers, new entrants, substitutes, complements

The Smart Manager will manage by mutual benefits (MBMB) to give a sense of purpose to his collaborators and thus to get their full and sustainable engagement

Tip #3 – Manage By Mutual Benefits

MBO¹
(Management By Objectives)

- Definition of **objectives agreed** by both management and employees
- Well-**adapted** to **vertical management** models
- However, by focusing on results, the way to achieve them (the planning) can be overlooked and lead to **suboptimal efficiency**
- Does not favor innovation nor flexibility



MBMB
(Management By Mutual Benefits)

- Creates **mutual benefits** and **value** by **fulfilling** the respective **expectations** of employees and employers
- Maximize the probability to obtain the **full engagement** of employees
- Requires from managers to (better) satisfy collaborators ...
- ... to create **favorable conditions** to secure a **higher quality** of execution that will lead to **better results**

The Smart Manager should use the Smart Index to develop his own competence as well as the ones of his collaborators in a structured and efficient manner

Tip #4 – Use the Smart Index (1/2)

- The **Smart Index** is a tool which structures the development of competences around 3 components:

Smart index = **K**nowing x **U**nderstanding x **B**ehaving



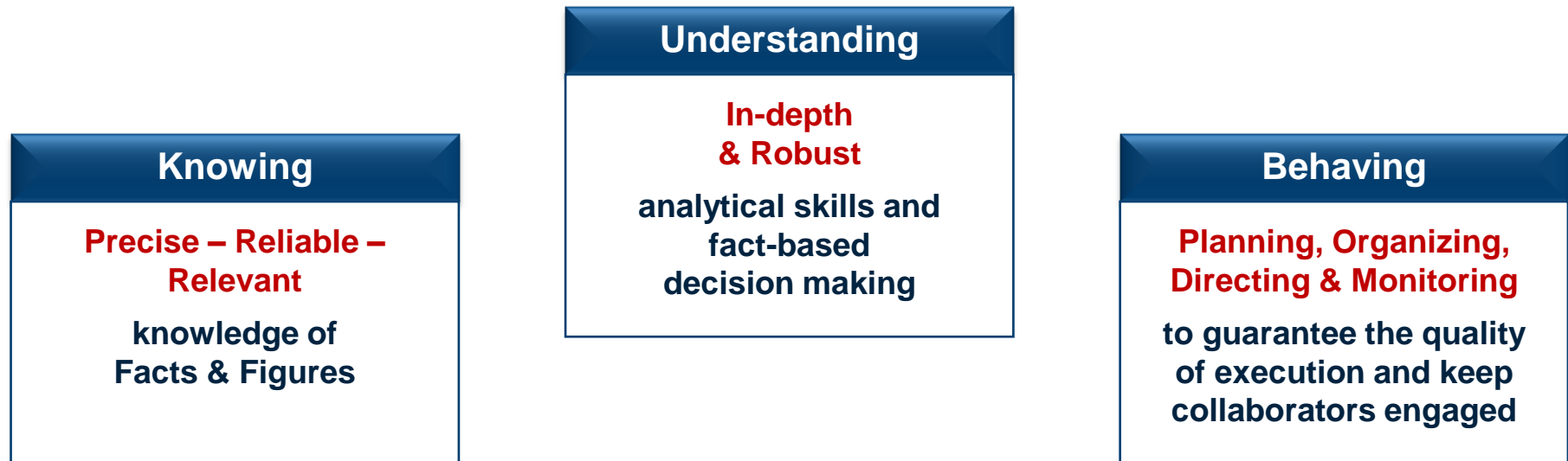
“Any fool can know. The point is to understand” – Albert Einstein

The Smart Manager differs from the Good Manager, mainly by his much higher analytical and behavioral skills

Tip #4 – Use the Smart Index (2/2)

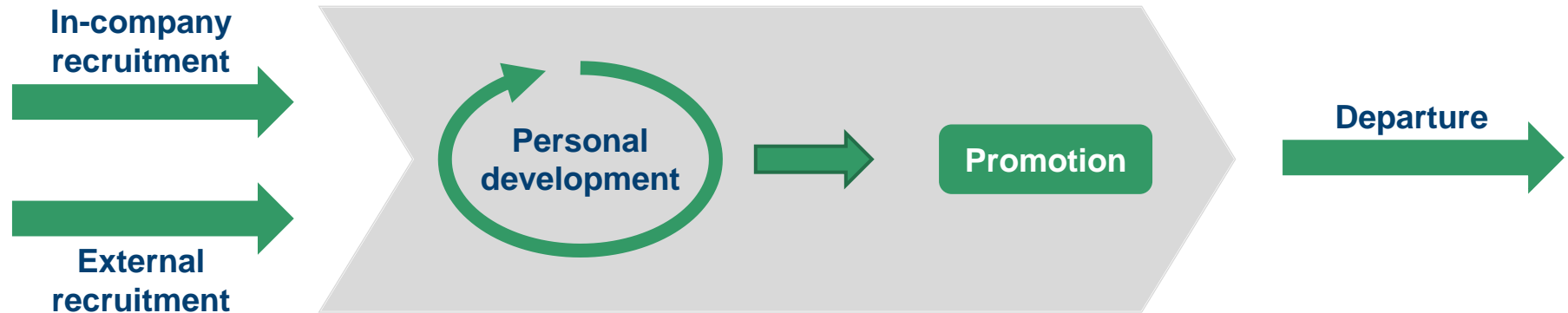
- Managers should focus their efforts on one or several components of the **Smart Index**:

Smart index = **K**nowing x **U**nderstanding x **B**ehaving



The Smart Manager is able to attract the best performers, to develop them and make them feel strongly engaged, while granting them the level of autonomy they deserve

Tip #5 – Manage dynamically collaborators



- Scout and recruit **gifted people**
- Highlight the **mutual benefits** expected from collaboration

- Give them a **sense of purpose**
- **Develop & motivate** them
- Grant **autonomy** based on ability

- **Do not keep** those who **under-perform**
- Make sure all **departures** occur in a **fair and nice way**

“Alone we go faster, together we go further” – African proverb

A Smart Manager creates the conditions to stimulate the passion of his collaborators for their job, which will prompt them to give their best to achieve their objectives

Tip #6 – Stimulate job passion

Job passion is influenced by **six key drivers**:



Passion is expressed by:



"Pleasure in the job puts perfection in the work"

Aristotle

The Smart Manager will adopt a management model taking into account the business constraints, the company's goal, the strategic priorities and the collaborators' skills

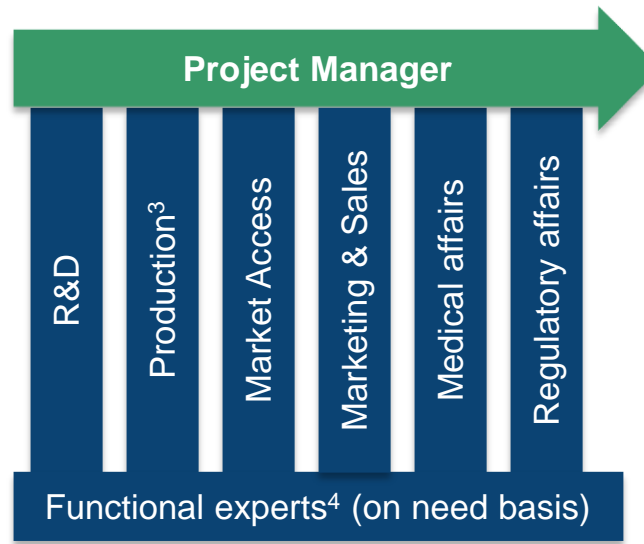
Tip #7 – Adopt the right management model - Typology

Vertical Management Model¹
(Hierarchical management)



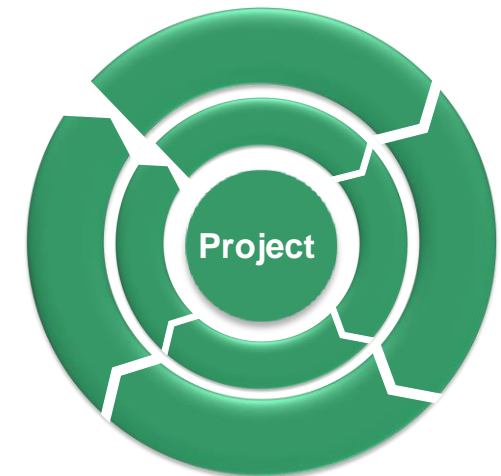
Effective but too rigid to adapt to situational changes

Horizontal Management Model¹
(Transversal management)



Adapted to multifunctional tasks but problems of prioritization

Concentric Management Model²
(Decentralized management)



Adapted to fast-moving situations but requires a change in mindset

Source: Smart Pharma Consulting

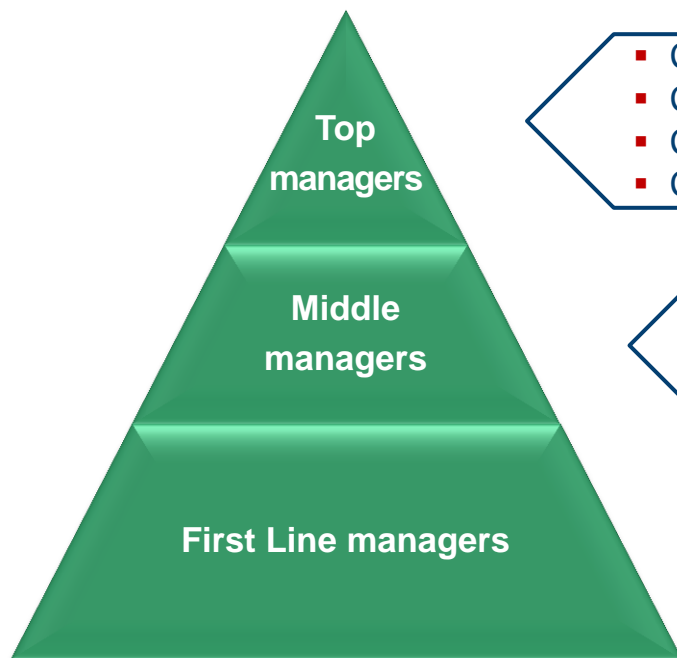
¹ These two models co-exist in most of big and mid pharma companies – ² This type of model is of interest in situations requiring flexibility, adaptability and more responsiveness to change – ³ Including logistics – ⁴ Finance, Human resources, Procurement, etc.

This “Command & Control” management model is efficient, facilitating decision-making and monitoring, but often too rigid to efficiently adapt to situational changes

Tip #7 – Adopt the right management model - Vertical Management Model

The vertical management model is hierarchical, with managers passing information and orders from the top to the bottom. The chain of command is well-defined and the level of control is in general high

Roles & Responsibilities of Managers



- Corporate purpose, mission, vision and values determination
- Corporate objectives, strategy (incl. M&A) and budget setting
- Corporate organization design and policy making
- Coordination and control of activities across departments¹

- Implementation of the corporate strategy and organizational directives
- Crafting of the strategy and corresponding tactics to achieve the objective set for their department, while ensuring an efficient resource allocation
- Management of First Line Managers of their department
- Coordination and control of activities of their department

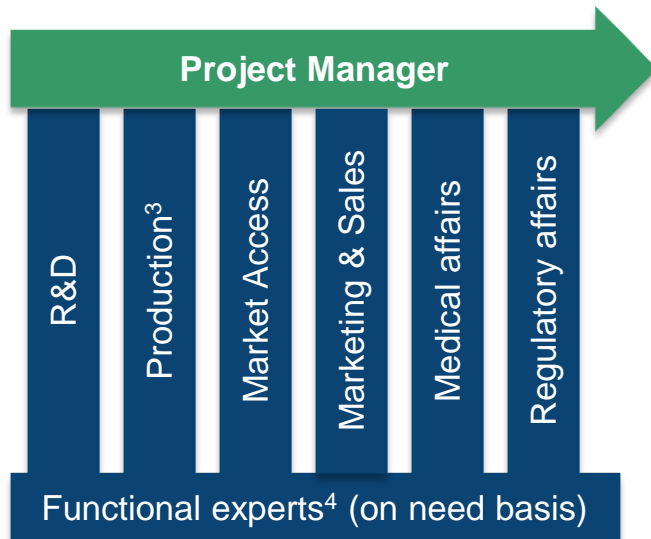
- Implementation of the strategy and the supportive operational activities, directly or, by managing their subordinates (e.g. medical representatives) within the limits of their budget
- Management, on a daily basis, of their subordinates

Project managers role is to specify, organize and plan the execution of projects, while creating and sustaining the engagement of team members until their closing

Tip #7 – Adopt the right management model - Horizontal Management Model¹

The horizontal management model has a less-defined chain of command and the priority is given to work in teams around projects or specific tasks, led by project managers or team leaders, respectively

Roles & Responsibilities of Project Managers



- Project management requires the mobilization of financial and expert resources from different departments² on an *ad hoc* basis to achieve a clearly defined objective
- Project Managers, like managers of the Vertical Management Model, must plan, organize, direct and monitor the work of functional experts that have been assigned to the project and take corrective actions, whenever required
- Thus, they animate the project team (definition of roles and responsibilities, consciousness raising, mobilization, communication, delegation, control) to carry out the project to its term within the time and budget constraints set
- Functional experts report, during the course of the project, to the Project Manager whose authority flows horizontally across departments boundaries, but they also continue to report to the head of their department whose authority flows downwards (vertically)

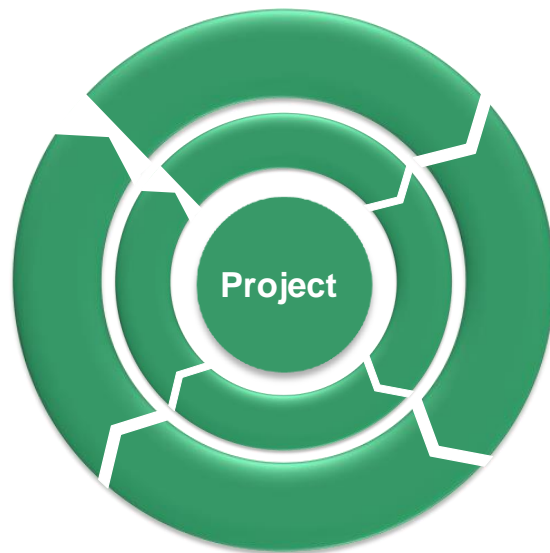
Concentric management model, like holacracy, is an hybrid model ensuring reliability of hierarchical organizations and adaptability of self-managed organizations

Tip #7 – Adopt the right management model - Concentric Management Model

This is a decentralized model of management which organizes companies around the work that needs to be done instead of people who do it. It makes companies more flexible, more adaptable and more responsive to change

Roles & Responsibilities

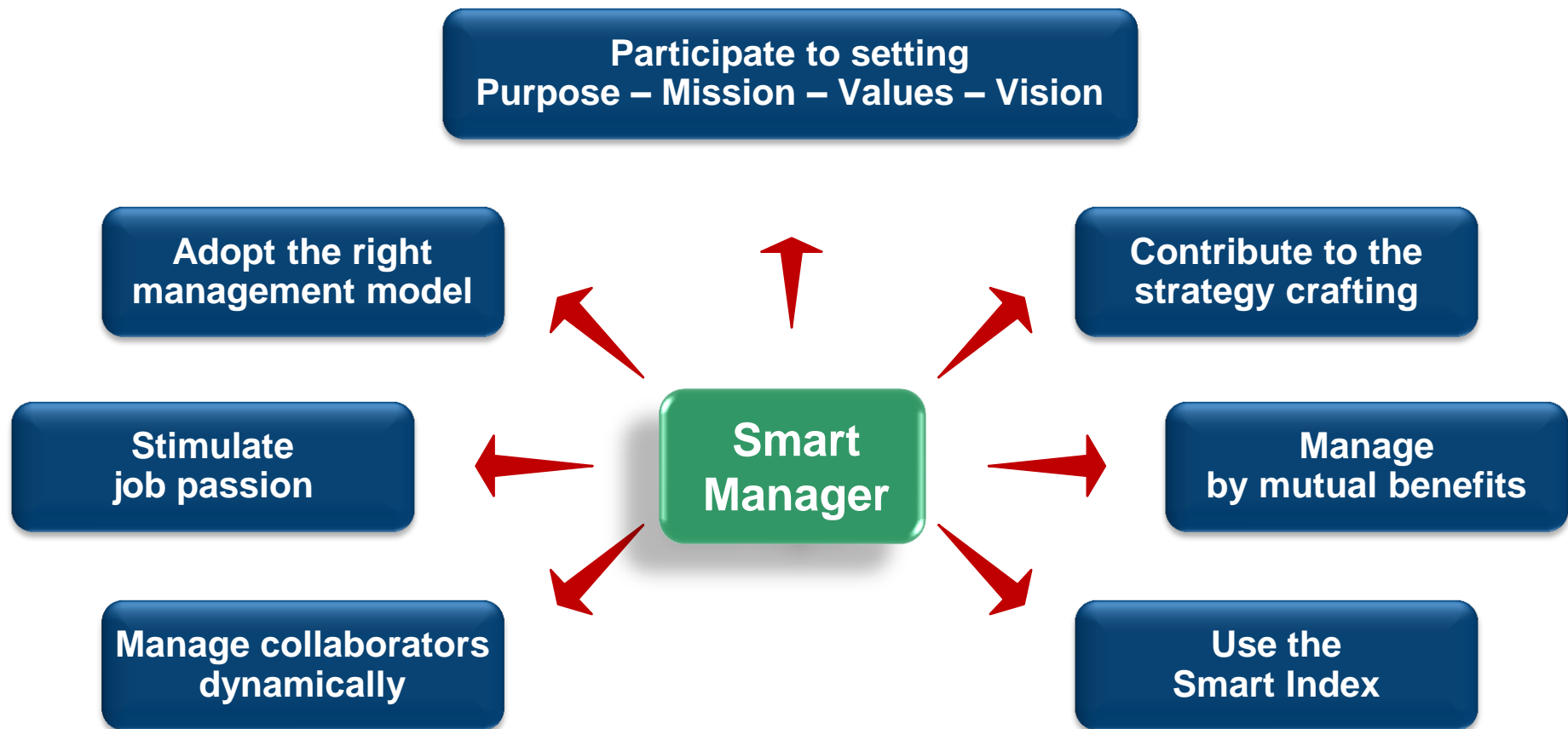
Holacracy¹



- A “constitution” sets the rules of the game and redistributes responsibilities
- Holacracy is organized as a series of nested teams (circles) made up of a set of roles, grouped together around specific project teams, departments, business units, support functions, etc.
- Roles definition is constantly updated and clarified based on the day-to-day needs of the teams
- The people who know the most the work to be done are empowered
- People fill multiple roles, and thus are members of several teams
- Teams have their own governance which is an ongoing process
- Issues are added to the agenda when any team member senses a gap between how things are and how they could be addressed in a consensus manner
- Holacracy creates fast and agile organizations to solve tactical issues

Becoming a Smart Manager requires a permanent effort that should be focused, in priority, at excelling in each of the seven tips that have been proposed

Seven tips to become a Smart Manager



Source: Smart Pharma Consulting

Smart Pharma Consulting can help pharma companies transform Good Managers into Smart Managers through various modes of collaboration

How can Smart Pharma Consulting help Managers become Smarter?



Our triple expertise provides us with a unique positioning to help pharma companies craft their strategies and design the corresponding relevant organization

Smart Pharma Consulting unique positioning



Smart Pharma Consulting is officially registered as a training organization by the French government since 2002

We actively publish “position papers” addressing key pharma strategic and organizational topics based on our consulting experience and management research

Selection of position papers: Strategy – Management – Organization (2016)

Create High Impact Interactions with Physicians

H2I Program
A New Approach that Pharma Companies can no Longer Ignore

Position Paper
March 2016

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The Best of Smart Pharma 2016

Concepts
Methods
Tools

1. Strategy

- Corporate Reputation
- Patient Centricity
- Market Access
- Creativity & Performance

2. Medical Affairs

- KOL Partnership Model
- MSL Best Practices

3. Marketing & Sales

- Brand Preference
- High Impact Interactions
- Mature Brand Management

4. Management (Bonus 2017)

- Smart vs. Good Managers

How to create a superior Pharma Corporate Reputation?

15 Years in Search of Innovative Solutions

The “Pharma Corporate Reputation Booster™”
A practical approach to strengthen your competitive position

Position Paper
August 2016

Patient-centric Strategy

15 Years in Search of Innovative Solutions

What patient services pharma companies should propose?

Position Paper
September 2016

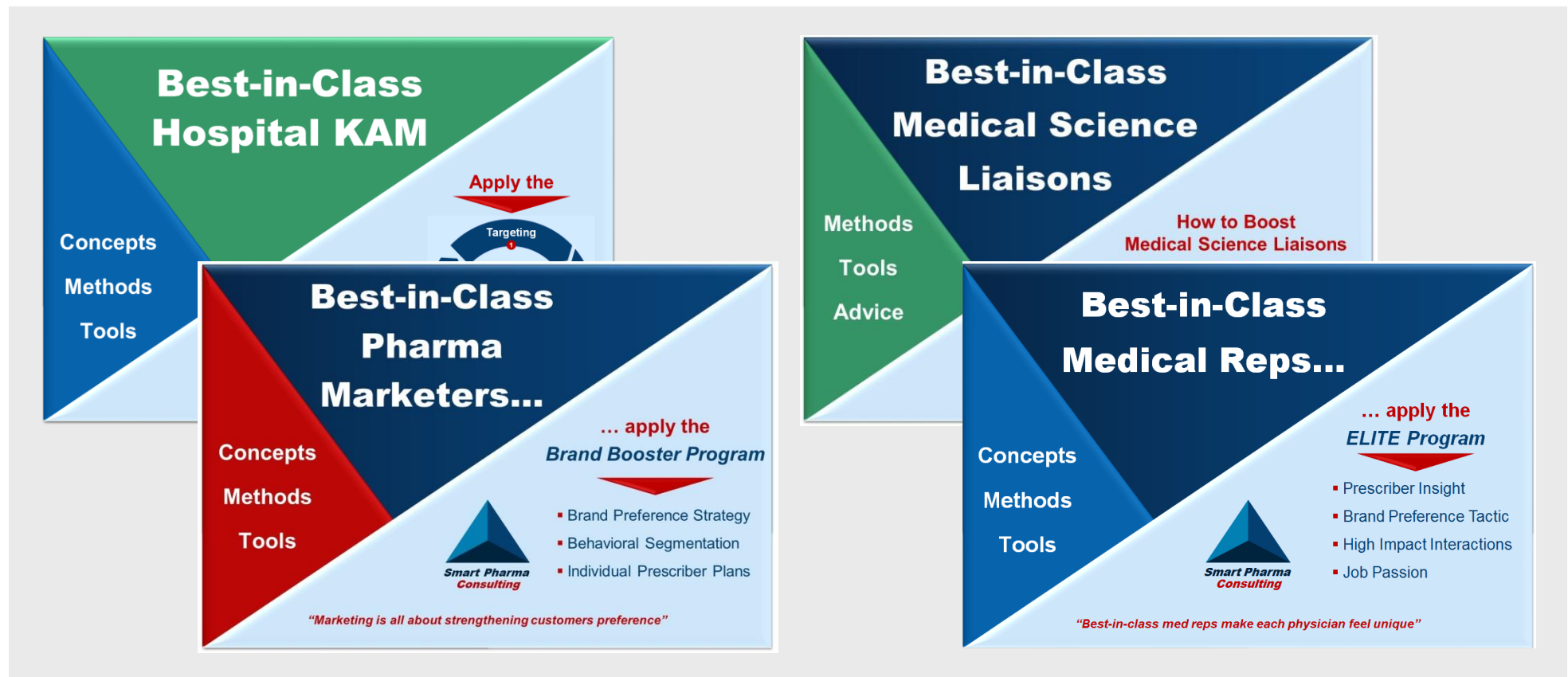
Drug Value & Market Access Optimization

From Drug Cost to Payer Valuation
- How to get the best value? -

Report
June 2016

Since January 2017, we have started to publish a new series of position papers named “Best-in-Class” which provides practical recommendations

Selection of position papers¹: The “Best-in-Class” series (2017)



This masterclass provides Good Managers with tips to become Smart Managers and thus boosts their performance and the performance of their collaborators

Masterclass¹: Seven tips to become a Smart Manager

Day 1

- 9:00 Introduction to the masterclass
- 9:10 Review of and discussion about the seven tips to be mastered to become a Smart Manager (pre-read sent to participants)
- 10:30 Lecture by and discussion with an expert:
“Managers vs. Leaders”
- 11:45 *Break*
- 12:00 Workshop #1: Purpose – Mission – Values – Vision
- 13:00 *Lunch*
- 14:00 Workshop #2: Strategy crafting
- 15:00 Workshop #3: Management by mutual benefits
- 16:30 *Break*
- 16:45 Workshop #4: Use of the Smart Index
- 18:15 End of the 1st day

Day 2

- 9:00 Introduction to the 2nd day
- 9:10 Workshop #4: Use of the Smart Index (cont.)
- 10:45 *Break*
- 11:00 Workshop #5: Dynamic management of collaborators
- 13:00 *Lunch*
- 14:00 Workshop #6: Stimulation of job passion
- 15:30 *Break*
- 15:45 Workshop #7: Management model selection
- 17:15 Conclusion of the masterclass
- 18:00 End of the masterclass

Smart Pharma Consulting proposes a 5-day seminar for high potential and seasoned executives who want to reinforce their strategic and operational marketing skills

Seminar: Pharma Strategy & Marketing¹

Next session: 16th – 20th of October 2017 in Paris

Day 1: Strategic thinking applied to pharma companies

- Worldwide Pharma and Biotech sectors
- Evolution of the Pharma business model by 2020
- Strategic management of Pharma companies

Day 2: Marketing strategic thinking

- Optimization of brand value: Brand Preference Mix, etc.
- Dynamic prescribers segmentation: Behavioral Prescribers Segmentation (BPS) approach
- Sales forecasting and performance objectives setting
- Brand Planning: Advanced SWOT, Strategy Card, etc.

Day 3: Marketing tactical thinking

- Digital marketing and multi-channel approach
- Promotional resource allocation
- Definition of Key Execution Indicators (KEIs) and Key Performance Indicators (KPIs)
- Integration of new marketing tools: Integrated Promotional Strategy (IPS) approach

Day 4: Specialized market segment analysis

- Marketing of generics and biosimilar products
- Marketing of OTC products and Rx-to-OTC switches
- Management of mature products
- Marketing of niche and hospital products

Day 5: Development of managerial skills

- Sales force effectiveness
- Team leadership
- Corporate behavior
- Communication principles

Target Audience

- | | |
|---|--|
| – Marketing executives (e.g. marketing managers, group product managers, product managers) | – Strategic planners |
| – Market research executives | – Medical executives (e.g. MSLS, medical managers) |
| | – Sales force executives (e.g. sales force managers, area managers) |

Consulting company dedicated to the pharmaceutical sector operating in the complementary domains of strategy, management and organization

Core capabilities

1 Strategy

- **Assessing the attractiveness of markets** (Hospital / retail innovative products - Vaccines - OTC - Generics)
- **Growth strategy**
 - Optimization of marketing / sales investments
 - Development of a company in the hospital market Business
 - Valuation for acquisition
 - Portfolio / franchise assessment
- **Extension of product life cycle performance**
 - Improvement mature products performance
 - Adaptation of price strategy
- **Defense strategies vs. new entrants**
- **Competitive strategies in the hospital market**
- **Strategic partnerships companies / pharmacies**

2 Management

- **Facilitation and structuring of strategic thinking for multidisciplinary product teams**
 - Key challenges identification
 - Strategic options formalization
 - Resource allocation optimization program
- **Training of marketing and market research teams to sales forecast techniques (modeling and scenarios development)**
- **Development and implementation of a coaching program for area managers**
 - Sales reps coaching
 - Regional action plans roll-out
- **Development and implementation of a "sales techniques program" for sales forces (STAR¹)**

¹ Sales Techniques Application for Results (training course)



3 Organization

- **Rethink of operational units organization**
- **Improvement of sales force effectiveness**
- **Improvement of the distribution channels covering the hospital and retail markets**
- **Development of a strategic planning process**