



Presenting:

The Journey to Organizational Decision Quality Raiffa-Howard Award Recipients

DAAG Conference 2016

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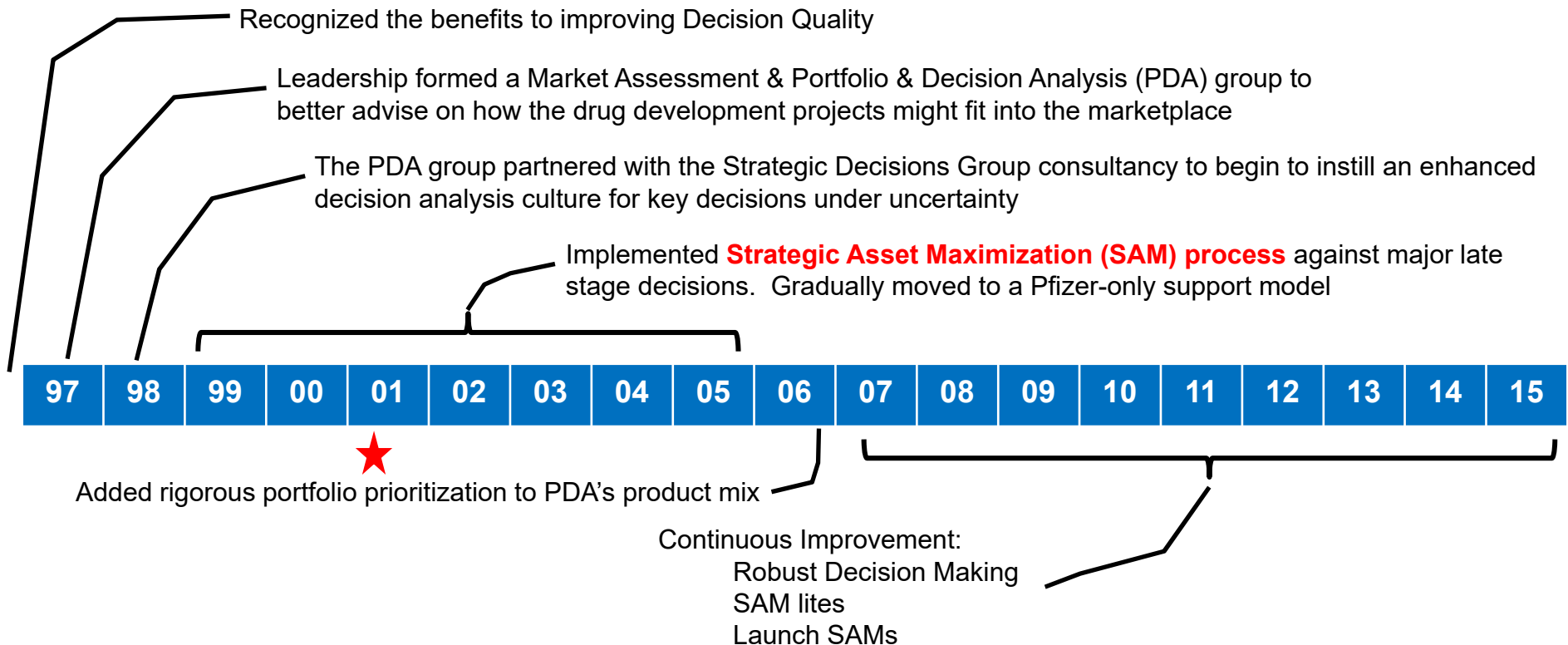
Implementing Decision Quality at Pfizer

Thursday April 7, 2016 10:30 a.m. – 12:00 p.m.

Pfizer Disclaimer

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Implementing DQ at Pfizer – an 18 year process...



Project Level DQ

Islands of DQ

Full ODQ

Sustained Organizational ODQ



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Implementing ODQ at Pfizer – success and growth

- Extending analysis into a more broad application
 - SAM lites for early programs
 - Launch SAMs for peri-approval programs
 - Extending the Analysis into both early and late space
 - Multi-criteria decision making
- Adding portfolio analysis into our services
 - Value-based portfolio analyses
 - Multi-attribute approaches
- Continuous improvement
 - “Robust Decision Making”
 - External reviews for large programs
 - “PTRS Council” for a less biased estimation of probabilities

What we learned from our journey

- Branding is important
- Consistency in messaging is important
- Be flexible!
- Let your clients know what's in it for them
 - “Don't quite understand it all, but I like it”
- Be a helper to your clients
 - Ok to add items such as help with building presentations, etc.
- Train your clients
- Continuous improvement is important
- It's easy to backslide...



What we learned from the Raiffa-Howard process

- It was a good time to take stock of our processes
 - Preparing for the award led us to come critical thinking on how well we were doing
- We got good feedback from an outside review on areas to improve on
 - Clarity of multi-attribute processes (could be a bit more transparent)
 - Good feedback on tools (ensure they don't get stale)
 - Consider empowering our clients to calculate financials



DAAG 2016 - Session 1

ODQ & the Raiffa-Howard Award, Lilly Research Labs

Charles Persinger
Eli Lilly & Company
April 2016



Agenda

Raiffa-Howard Award Scope: Lilly Research Labs

(Research and Drug Development at Eli Lilly and Company)

- Pharmaceutical Drug Development
- 8000+ employees
- ~\$5B in spend

Topics for DAAG:

- Enabling ODQ in Lilly Research Labs **(10 min)**
- Learning/Advice from R-H Experience **(5 min)**

Enabling ODQ (the Lilly Experience)

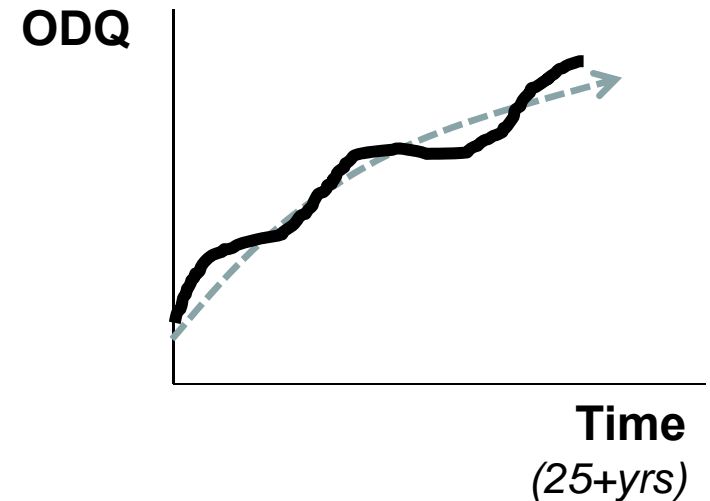
“Build” - The Foundations:

- Initial Champion (Leigh Thompson)
- “Decision Sciences” group construct
 - Small group (~10) focused on leveraging DQ principles
 - “Technical/Scientific” career ladder
 - 3 pillars
 - Portfolio Management
 - Decision Consulting
 - Education
- Organic/“pull”, not mandate/“push”: *implemented* with a bottom-up approach: teams and decision makers – “We can do DA”, **not** “We must do DA”.

Enabling ODQ (the Lilly Experience)

“Strengthen”

- Link with and leverage others
 - Finance (valuation models)
 - Project Management (project decisions)
- Leverage opportunities
 - Portfolio: Meet evolving needs and changing context
 - Real-time portfolio management
 - Evolve the analytics
 - Consulting/Education: Meet decision-makers needs
 - “Commercial Decisions”
 - Educate/leverage Project Managers



Enabling ODQ (the Lilly Experience)

“Sustain/Enhance”

- Adapt and evolve: Flex to the needs of the organization (especially during major changes in leadership)
- Leverage client base: Providing value → future opportunities
- Leverage learnings: Look-backs & learnings → opportunities

Example: “Commercial Decisions”

LRL
CFO

While this may appear like a lot of work beyond the detailed thought and planning that goes into any development plan and business case, I do think it adds clarity and transparency to the decision making process and can help both you and the EC have efficient and effective debates about these decisions. Please let me know your thoughts.

CEO

These are excellent recommendations, Josh. Let's incorporate into our DNA.

Thanks -- John

John C. Lechleiter

Chairman, President, and Chief Executive Officer

Eli Lilly and Company

Learnings from R-H Award Process

Introspection: deep thinking about ODQ at Lilly

Learnings: external perspective (evaluation panel)

- Questions, discussions
- Feedback

Celebrate & Strengthen: leverage award

- R-H Award is not a stopping point (maintenance, evolve, improve)
- CEO: *“Now, let's take what we find here and make it better and better...”*

Raiffa Howard Award Characteristics of a Winner

Frank Koch
Larry Neal

April 7, 2016
Banff, Canada



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Raiffa Howard Award Selection Criteria

- **Culture:** Supports Decision Quality
- **Decision Makers:** Understand, Use and Advocate for Decision Quality
- **Staff Capability:** Are Equipped, Trusted, and Continually Improve Their Decision Quality Skills
- **Processes and Tools:** Support Achievement of Decision Quality in a Timely and Efficient Manner
- **Demonstrated Benefits:** Benefits are Evident Either Directly or Anecdotally



Similarities Between the Winners

- Culture
 - Sets behavioral expectations
 - Encourages transparency
- Learning organizations
 - Primarily focused on key assessments
 - Tend to relate DQ to the organizational success in forecasting and data assessments
- Common set of analytical standards
 - Helps build assurance into the decision making processes
- Internally designed tools and processes
 - Fit for purpose and in some cases proprietary analytical methods



Differences Between the Winners

- Organization of analysts
 - Chevron – mixed of centralized and decentralized
 - Lilly – centralized staff with trained project managers
 - Pfizer – centralized staff
- Analyst development and career paths
 - Chevron – Generally a technical career path starting in engineering or financial organizations
 - Lilly – Dual technical and project manager careers available
 - Pfizer – Mixed technical careers and development assignments for future leaders