

How top management steers fast cycle teams to success

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Confronted by the pressing need to accelerate product development and project execution, top managers often launch fast cycle teams to develop a culture of speed. Unless a number of common mistakes are avoided, such teams are likely to stumble and lose their way, resulting in a waste of precious resources and lost opportunities. The failure of a high profile fast cycle project could prevent the culture of speed from taking hold in a corporation, a major strategic setback. Our research sought to discover what management actions and processes best enable top managers to promote the success of fast cycle teams. We found evidence that the behavior of top management is a primary determinant of the success of the teams. For successful implementation, top management needs to perform two major functions:

- (1) They should create a strategic imperative, acting in unison to showcase the need for change and involving middle managers in the choice of fast projects.
- (2) They should manage the organization context by choosing project leaders who are likely to be successful, balancing empowerment and monitoring of the project leaders, providing protection to the teams, and managing the expectations of the rest of the organization.

Should they fail to fulfill either function, they put the fast cycle project in jeopardy. This in turn puts at risk all other investments in establishing a fast cycle culture, a key competitive advantage in more and more industries.

Fast cycle teams (see sidebar: “Fast cycle teams”) are an appropriate response to recent acceleration of industry clock speeds. As competitive pressures force managers to reduce project cycle times, organizational leaders must work to instill a culture that fosters the capability to identify the most important projects and bring them to closure quickly. Multifunctional fast cycle teams have produced marvelous results for some organizations recently, but the institutionalization of a culture of speed has eluded many (see Exhibit 1).

Many senior managers mistakenly believe that their role should only be to bring together and empower an appropriate fast cycle team and then to rely on project leaders to manage team dynamics. In this view, fast cycle teams are an entrepreneurial initiative that functions best when left alone. In this managerial model, success depends upon heroic project leaders and team members achieving victories against formidable odds, with senior management cheering on in the sidelines. This is more the “Dilbert” version of organizational reality than a prescription for success in the real world. This misconception is so prevalent because,



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Fast cycle teams

What are they?

Fast cycle teams are cross-functional teams, typically deployed for speedy introduction of products in the market place. They are given stringent timelines, but high resources and empowered to accomplish their stretch goals. They are staffed with fully dedicated associates, and are expected to innovate new business practices. In Exhibit 2 we have compared the regular projects and fast cycle projects.

When should you use them?

Since fast cycle teams are risky three questions should be answered in the affirmative before they are initiated:

- (1) Is there a compelling business need for speed? Are there financial payoffs to reaching the market fast and often ahead of competition that outweigh the disadvantages of concentrating resources on a project?
- (2) Is the technology or science behind the project mature enough so that the project team can get on with the job of developing the product without becoming mired in scientific uncertainties?
- (3) Are the organizational arrangements within which fast cycle team operates simple enough as to ensure speedy implementation? Conversely, will our external partners bog us down during the implementation?

How do you judge their success?

Fast cycle team should be judged against the objectives that triggered its institution in the first place: did the team accomplish speedily enough against the stretch targets?

In pharmaceutical drug development, for example, as the development proceeds, information may come to light that may require the termination of the project. For example, market estimates may be considerably smaller than originally believed. The success of the fast cycle team in such case should be based not on whether they brought the product to the market in short time, but whether they succeeded in terminating the project quickly, thereby saving the organization significant resources.

though much has been written to prescribe behavior of fast cycle teams (see Meyer, 1993), little is in print regarding the proper role of senior management in managing fast cycle teams in their organizations.

Indeed, our research shows that the role played by the senior management is a crucial success factor for fast cycle teams. So a key finding is, "Implementation starts with top management." Our conclusions are drawn from a three-year intensive study of fast cycle teams in the pharmaceutical industry. The study included interviews with senior management, surveys of project teams, and structured interviews with project team members. Our findings have implications beyond the pharmaceutical industry. We conclude that the failure of many fast cycle teams can be traced to the inadequate appreciation by senior management of their crucial role in the process.

A summary of the research design is:

- (1) Preliminary discussions with five members of senior management.
- (2) Open-ended interviews with 27 members of senior management.
- (3) Structured interviews with 44 members of core teams.
- (4) Survey responses from 105 respondents (out of 163 sent).
- (5) Four fast cycle teams working on:
 - an in-house allergy medication;
 - an in-licensed allergy medication;
 - an anti-nausea and anti-emetic agent;
 - a treatment for diabetes and its complications.
- (6) Two regular teams working on:
 - a treatment of HIV infection;
 - a treatment of pulmonary tuberculosis, and mycobacterium avium complex (MAC) infections.

Fast cycle teams

Fast cycle teams are typically introduced to accelerate product development. The teams may be multifunctional, often multinational in scope. The teams we studied were richly resourced with talented people and money, and were usually given a lot of leeway to operate. In most cases they have more power than regular teams.

The rationale for fast cycle teams is based on the premise that by concentrating resources, it is possible to reduce development time and get a faster payoff, without consuming more resources than regular projects (see Exhibit 2). This may sound like a contradiction, but in theory it is not. While regular teams consume fewer resources at any point in time, over their total life span they eventually consume about the same resources as their fast cycle project counterparts. Fast cycle teams give companies a chance to be the first to cross the goal line, if they are willing to concentrate their resources to achieve their victory.

But even when firms embark upon on building a culture of speed, most of them work with a mix of fast cycle and regular projects. The introduction of fast cycle projects creates new competition for resources. Resources being limited, organizations will have to allocate the scarce resources differently, shifting them from regular to fast cycle projects, thus speeding up some projects and delaying others. Further, given the stringent time limitations imposed on fast cycle teams, they need to think and act "outside the box" to accomplish their goals. They are thus forced to discard normal operating procedures and behavioral norms prevalent in an organization.

In fact, the introduction of a fast cycle team inevitably upsets the internal equilibrium of an organization, especially when the organization has had no previous experience with the concept. Fast cycle management requires companies to reorder priorities, reallocate resources, and adopt disruptive ways of doing business. The introduction and the

Exhibit 1 — Key decisions over the life cycle of fast cycle teams

Stage	Decisions	Key questions to ask/key actions to take
Strategy imperative: before implementation		
Senior management consensus	Introduction of fast cycle teams	Do we share the philosophy? Is there a compelling need? Can we take the risk?
Co-opting the organization	Choice of projects	Financial risk/reward? Market characteristics? Technological readiness? Organizational simplicity?
	Communicating with middle management	Do they understand the concept? Are they committed?
Behavioral context: during implementation		
Choice of project leader	Develop the criteria Cast a company-wide search	Does she understand the project? Is he credible?
Team powerment	Milestones Resources Criteria of success	Stretch goals? Against the goals?
Monitoring	Reviews Go/no go decisions	Frequent reviews
Managing expectations	Dealing with regular projects	Emphasize priorities
Protection	Back up project team	Communicate
After the project		
	Changes in organization's structure and systems Knowledge management	

Exhibit 2 — Distinguishing features of fast-cycle versus regular project teams

Fast-cycle	Regular
Large allocation of resources in a short period of time	Resources expended over an extended period of time
Firm deadlines chosen to accelerate development pace	Stretchable deadlines based on pace of previous teams
Develop new practices to meet firm deadlines	Re-use of standard business practices
Team members work exclusively on fast-cycle project	Team members may split time between more than one project
More devotion and loyalty to project than to function	More devotion and loyalty to function than to any one project

management of the teams send powerful signals throughout the organization about the intent and seriousness of the senior management to move toward not doing business as usual. However, one project does not make a capability, however successful the project might have turned out to be. The institutionalization of learning from the first project is critical to the development of future fast cycle teams.

Our research suggests that senior managers perform two major functions that are critical to the successful execution of fast cycle teams:

- (1) creating the strategic imperative;
- (2) managing the organizational context.

The strategic imperative

Concentrating resources into fast cycle projects that inherently involve greater risk alters a company's strategic stance. Senior management must be prepared to switch from one set of risk/reward expectations to another. Fast cycle projects will likely suck management time and attention from other projects, even from high priority regular projects.

Before fast cycle teams begin operating the senior management has to articulate both the strategic imperative for their existence and the reason for the organization's altered stance. Is there consensus that fast cycle teams are the answer to the organization's needs and does senior management understand both the potential risks and rewards? These are questions that need to be resolved first before the senior managers can credibly move the organization to implementation phase.

Creating consensus within senior management

The first step in the process – this will not be transparent to the rest of the organization – is to create a consensus within the senior management team. Indeed, this is truly an exercise of leadership within the management team, and hence the responsibility of the senior most executive, either the CEO or in many cases the Head of R&D. *The senior*

management should share the underlying philosophy of resource concentration and empowerment in both beliefs and behavior. Fast cycle capability is associated with a set of beliefs that concentration of resources on a limited number of projects is necessary for speed, and empowerment of teams is a key to speed. Leaders should anticipate that in some quarters fast cycle teams would be seen as hogging personnel, money, attention and time. Successful implementation depends upon senior management speaking with one voice regarding their belief in the fast cycle goals, and their actual behavior as coaches of teams, as stewards of purpose, resources, and process.

One problem we observed was that top management's own beliefs are not that easily changed. Too often we hear about the need for management to "walk the talk," but this shifts the focus from the initial efforts to develop consensus to the later implementation stage. Before they walk the talk, the senior managers have to understand and agree with the talk. The composition of the senior management team should reflect some degree of consensus around beliefs and behaviors that support fast cycle capability.

"The behavior of top management is a primary determinant of the success of the teams."

Consensus around beliefs cannot be taken for granted, and obtaining it is a challenging task for many organizations to accomplish. Too often top management does not have a realistic appreciation of the demanding changes they themselves have to undertake in their own beliefs and behavior. Do not expect them to make this realization during one off-site meeting filled with other agenda items. In our experience, gaining acceptance of fast cycle behavior requires some carefully orchestrated deliberations over a couple of months. Indeed careful assessment of the degree of consensus is necessary, and may require personnel actions.

In one case that we studied, two senior managers were publicly supportive of the efforts to initiate a fast cycle team environment, while privately undercutting the efforts. This led to delays and missed deadlines, all leading to a weak start. Soon the senior management team decided to directly confront the issue, and one of the senior managers was asked to step down and the other was given another assignment overseas. As a consequence, the fast cycle initiative was implemented quickly and without additional resistance.

Crafting strategy while readying the organization

Even with consensus on beliefs, during the introduction of fast cycle teams, significant background work still needs to

be done to develop a common language and understanding of fast cycle capability among senior and middle management ranks in the organization. To some extent, books on fast cycle capability and the third generation R&D ideas will be the basis for developing common language. These may also be augmented by a number of team building meetings where various working groups of middle managers flesh out the details of different fast cycle alternatives. We found that although these activities are time consuming and produced no tangible results in the short run they are a crucial element of the successful operation of fast cycle teams[1].

Since fast cycle teams imply a different strategic stance, the fast cycle designation should be guided by strategic priorities. These priorities should not be the "priorities we know," based on yesterday's conceptions; they should be developed *de novo*, however redundant the exercise may seem to the participants. The strategic priorities should be based on the best available information – both scientific and commercial. Pharmaceutical drug development projects, for example, involve two kinds of uncertainties: scientific/technical and commercial. The requisite information for understanding both these uncertainties lie within different parts of the organization. Yet both are important to make project-related decisions. The information should be brought together to evaluate and prioritize the portfolio of projects.

In some organizations, this may require development of new decision support systems and procedures. The existing systems – suitable for an earlier strategy – may be irrelevant and sometimes dysfunctional to the establishment of goals for fast cycle teams. Even in organizations with somewhat mature systems, it is good to have searching dialogue about the appropriateness of the decision support systems for fast cycle designation for specific projects. Further, since the uncertainties change due to additional scientific information becoming available, and/or changes in market and competitive conditions, this process should be ongoing.

Specifically, senior management performs four major roles in setting the strategic context:

- (1) *Teaching while learning.* Senior managers have to act as the teachers of these concepts to the rest of the organization, especially the middle managers.
- (2) *Enforcing strategic consistency.* The enforcement of strategic consistency rests with the senior management. As in the case of all change attempts, introduction of fast cycle teams will be met with skepticism by many middle managers, all of whom are likely to have seen fads come and go in their organization. The senior management by their symbolic and substantive actions has to show the organization that they mean business.
- (3) *Oversight of the process.* Much of the information gathering requires time and labor, and is delegated to middle managers. Indeed, senior management time is

better spent overseeing the activity, since they also have other strategic initiatives to accomplish.

- (4) *Focus on key questions.* When delegated, the senior management should shape the process by focusing on key questions that are relevant to the success of fast cycle team initiative. This focus is particularly useful for setting of milestones, the choice of projects for fast cycling, and getting the teams to think “outside the box.”

A critical activity during this step is the initiation of middle managers into a different operating style necessitated by fast cycle mode of operation. Involving them in strategy development process is necessary since gathering information for priorities is a labor-intensive task that should not be undertaken by senior managers. Too often, however, the data collection is outsourced to consultants. This robs senior management of an opportunity to begin the communication process to ready the organization for fast cycle work. Consultants may be necessary for facilitation as well as for providing expert help, when needed; but involving the functional managers in crafting the strategic priorities is a critical activity in this phase. This involvement provides senior management with occasions to teach, enforce consistency, oversee the process, and focus the organization on key questions.

Choice of the projects for fast cycling

The senior managers have to pick the right projects for fast cycling, and then ensure that the fast cycle teams deliver. This is truly senior management responsibility, and cannot be delegated to middle management.

“Concentrating resources into fast cycle projects that inherently involve greater risk alters a company’s strategic stance.”

Although middle managers and consultants may be involved in creating the information base for these decisions, the senior management should keep in focus three major questions before authorizing a project to be placed on the fast track. Some of the questions apply to any project while others are unique to fast cycle efforts.

- (1) *Do the market characteristics justify the need for fast cycle designation?* This is a generic question, but different trade-offs are involved in the case of fast cycle projects. Since fast cycle designation implies focused commitment of resources, thereby shifting resources from other worthwhile projects, there should be a compelling commercial reason for doing so. It goes without saying that the market potential (size and

pricing) should be large enough to justify the project. But fast cycle designation demands, in addition, a compelling competitive reason.

In pharmaceutical industry, for example, the market share of scientifically successful drug development is heavily dependent on the order of entry. The first two to three entrants capture most of the market; later entrants suffer from inadequate market share. Hence, fast cycle designation is warranted only if the project has a reasonably high probability of bringing a drug to market ahead of the competitors.

- (2) *Is the project technically feasible in a short time frame?* Since many projects are inherently riddled with technical and scientific uncertainties, there is a risk threshold beyond which focused commitment of resources may not be prudent. Technical and scientific uncertainties in many cases may also obscure clear estimates of market potential. The project characteristics should ensure high probability of technically successful completion of the project before designating a project fast cycle. Several types of projects have a high probability of successful completion: product line extension, projects where significant prior scientific work is available to make educated estimates of success, or last stages of a project.

In our study, the successful projects met these criteria. Allegra was built on a foundation of prior work on Seldane. Anzemet had a significant base of knowledge based on prior scientific work.

In contrast, two other fast cycle products being developed during the time frame of our study, an allergy vaccine and a compound for diabetes-related renal disease were compounds licensed from smaller firms; these in-licensed projects registered significantly greater scientific uncertainty. Research on these two compounds was eventually discontinued.

Project appraisal prior to license agreement should enable a thorough grasp of its scientific uncertainties. It is common in negotiations regarding an in-licensing arrangement, to have the marketing/business development, legal and finance personnel heavily involved. However, if scientists specializing in the area and senior R&D leaders are not present, the scientific/technical details tend to get the short shrift. The organization is jeopardized when the negotiating team cannot interpret any danger signals that portend technical/scientific problems ahead.

- (3) *Is it organizationally easy to implement?* Finally, the organizational uncertainty associated with development projects should be minimized so that they do not become embroiled in an organizational quagmire. There should be significant assurance of easy implementation before a project is given fast cycle status. This is particularly true of projects that involve compounds that

are licensed from other companies who also have a vote in the decisions. These in-licensed projects require coordination of inter-organizational relationships. Further, team members sometimes perceived a divergence of commercial objectives between the two firms. This organizational complexity amplified the scientific complexity of the projects that we studied.

Projects which are being co-developed or managed in strategic alliances appear to be poor candidates for fast cycling.

As these guidelines indicate, not all high-priority projects are candidates for fast cycling; many are better run along regular project lines. When middle managers push their priority projects to be designated fast cycle, the senior management has to respond with a resounding negative when the answers to the three questions do not point toward a fast cycle designation.

The organizational context

Fast cycle projects justifiably make persistent demands for attention on senior management. The senior management should be intensely involved in the progress of the project and show visible commitment during its implementation. It is by their behavior that they create the organizational context for action within which fast cycle teams perform. A major point of difference attributed to the success of the fast cycle projects that we studied is the degree of involvement of senior management in all aspects of the project.

The involvement is purposeful, and in our research, we have found two major senior management functions to create the context: organizational architecture and behavioral context.

Organizational architecture

Power shift

A significant shaper of the organizational context is the alterations in structure that senior management phases in before the implementation of fast cycle teams. For example, in our research the senior management undertook three major activities to shift power from functions to projects. First, they created a sponsor for the fast cycle projects, a member of the senior management team, which gave the teams direct access to senior management. Second, the project teams were given budget authority, which provided them financial muscle in their negotiations with functional heads. Third, the senior management clearly redefined the role of functional organization as one of nurturing the functional capability, thus reducing the potential conflict in the matrix. This move also strengthened the responsibility of functional heads over organizational learning.

Sponsorship

It is necessary for the successful operation of fast cycle teams to have a sponsor who is a member of the senior management team. The sponsor plays a key role in obtaining

resources for the fast cycle teams from functions, maintaining the priorities among the teams, transferring learning across the teams, and in many cases counseling some of the project leaders about tactical and strategic moves. The sponsor also sometimes facilitates communication between functions and teams. For the sponsor to be effective, he or she should have four major characteristics:

- (1) credibility within the organization;
- (2) well-honed tactical and implementation skills;
- (3) sound knowledge of the organization and people within it; and
- (4) good relationships with middle management across the organization so that the sponsor can mediate between project leaders and function in negotiations concerning resources.

Roles and responsibilities

Introduction of fast cycle teams requires clear definition, understanding and maintenance of the roles and responsibilities of overlapping organizational dimensions: project and function. In fast cycle project implementation there is the real danger of the functional organization losing its vigor. The senior management should continually nourish the functional organization. The functions should retain the primary responsibility for quality, adherence to regulatory standards and transfer of learning from project to project. Under the matrix system, when projects are time-bound and hence teams dissolve after the project, the functions assume three significant responsibilities:

- (1) The functional heads working through their representatives on project teams have the responsibility for maintaining the scientific quality of work in their respective function in each project.
- (2) Adhering to the standards in the work of project teams (dictated by regulatory requirements) also remains the responsibility of the functional heads. For example, in addition to scientific quality, the standards may involve GLP and GMP as dictated by FDA in the case of pharmaceutical industry.
- (3) The functional heads are responsible for the transfer of expertise to the project teams with respect to the function and learning from the projects to the function.

Given the complex interfaces between project and function created during fast cycle team operation, significant attempts at coordination are required to maintain the spheres of responsibilities as well as to manage the interfaces. This is truly a major senior management responsibility.

Shaping the behavioral context

Organizational architecture provides the organizational conditions for successful operation of fast cycle teams, but the teams have to exploit the potential for speed inherent in the power shift from functions to projects. Thus, in addition to redefining the structure, senior management has to pay

attention to the “people side” of the implementation. To shape their day-to-day behavior requires constant reminders by senior managers regarding the rationale for fast cycle teams, and expected behaviors. Collectively, senior management has five important roles to play during the implementation of the fast cycle team concept:

- (1) choice of project leaders;
- (2) team empowerment;
- (3) balancing empowerment and monitoring;
- (4) providing protection to the teams; and
- (5) managing the expectations of the rest of the organization.

The choice of project leaders

One of the critical elements of success of fast cycle projects is the project leadership. Both the characteristics of the project leader and the process of selection are important implementation tools.

The successful project leader should have credibility within senior management, should be able to establish good relationships, a network of contacts within the global organization, and expertise and previous experience with projects. Credibility with senior management is a prerequisite to the successful leadership of fast cycle teams, because it ensures flow of resources – financial and human – as well as facility in overcoming internal barriers to speedy progress. Relationship with functional heads is also important since, within a matrix, the functional heads control the human resources. Unlike the regular project leaders, who came from the scientific ranks, with impeccable scientific credentials, successful fast cycle leaders were “hard chargers,” with significant negotiation and communication capabilities. Our research suggests that having these characteristics was a more reliable indicator of future success than the functional background of the project leader.

Indeed, the project leaders of the successful teams tracked in this study came from different functions: one of them was a superb functional head, another has wide ranging regulatory and manufacturing experience, a third came from bio-statistics, and a fourth came from project management. All had credibility with senior management.

The process of leader selection for fast cycle projects should be conducted at the senior management level. In our case, in the case of regular projects, the choice of the project leader was made typically at the middle management levels; the senior management most often ratified the decision. In the case of fast cycle projects, the senior management actually got involved in the decision, very early on. This is one way in which the senior management could signal the importance of the project and their commitment to it. In our study, senior management conducted all the steps in the selection process: determination of the criteria for selection; nomination of individuals from across the organization, irrespective of their functional affiliation; evaluating the

individuals against the criteria; and negotiations with potential candidates. Although this may appear to be straightforward, and academic, the process ensured the best candidates were appointed project leaders.

“Fast cycle designation demands a compelling competitive reason.”

In our case, the senior manager of human resources also played an active role, but it was widely perceived that senior management collectively picked the candidates. This reinforced both the project leader’s authority among his team members and functional heads as well as the urgency of fast cycle projects.

Team empowerment

From the senior management perspective, there are several dimensions of empowerment to be managed during implementation: time, resources, removal of barriers and coaching and rewards and incentives:

- In fast cycle designation, it is important to set stretch goals in terms of timelines. A small improvement in timelines relative to historical company-specific data will not do. The timelines should be stringent enough to motivate the teams to “heroic” deeds. In our example, two of the completed projects beat the best in class (industry-wide) timelines in their respective therapeutic category.
- In the presence of internal resource constraints, the fast cycle teams should be given the authority to outsource, so that they can get the job done within stringent time limits.
- Senior management should ensure that organizational practices should not be allowed to obstruct the project progress.
- Significant coaching should be made available to the team leader and his members for smooth team dynamics. The senior management should provide for process expertise from human resources or outside in this regard.
- A suitable framework for assessment, rewards and incentive scheme enables the project team to focus its efforts. In the matrix system in place, although the functional head may retain the responsibility for individual evaluation, the project leader’s input is necessary during annual cycle of evaluation. In this case study, the effective project team members were provided additional incentives.

One more word about resources: the allocation of resources should reflect strategic priorities. By resources, we refer not merely to financial, but also human resources as well as time. Although this may, on the surface, appear to be an

obvious idea, in practice often the existing budgeting system and human resource policies get in the way. The personnel and time are often allocated at the lower levels of the organization, not always at the senior levels. Even when strategic priorities are clearly communicated, organizational inertia in the form of standard operating procedures and traditions, can and will rear its ugly head. As a defense, senior management will have to ensure that predetermined priorities drive the resource allocation process. Especially when there are a number of fast cycle projects running concurrently, trade-offs are often necessitated in allocation of resources to fast cycle projects. Here again the senior management should ensure that strategic priorities are maintained during resource allocation.

Balancing monitoring and empowerment

The senior management must manage two somewhat contradictory goals: continuous monitoring and empowerment of the fast cycle teams. As a start, the senior management should institute frequent reviews of the fast cycle projects in progress. In our case, we found monthly reviews of progress were an improvement over the quarterly reviews reserved for regular projects. More frequent reviews may be advisable. However, continuous monitoring is often viewed by team members as a form of control, and hence may be perceived as antithetical to empowerment. Nonetheless, there are several reasons for instituting frequent reviews:

- It serves to remind both the team and the organization the priority placed on the project and the tight timelines imposed on the project.
- It serves to keep the senior management aware of the developments in the project so that they can make quick decisions to invest further resources or discontinue the project quickly at appropriate points in time.
- The reviews provide a forum where the senior management can shape the development of the project, making available their collective judgment.

The reviews also provide occasions for go/no go decision points for each fast cycle project during critical junctures in each project. By “go/no go decision points,” is meant points in time when the senior management chooses to continue to escalate investment in a project or to terminate it. Because financial outlays required in major development projects increase over the stages, a decision to continue a project typically calls for escalation, i.e. greater investment of resources than in the previous stage. As the development project unfolds, key scientific and/or commercial information may come to light that may alter the assumptions under which earlier decisions were made. Go/no go decision points provide a systematic way of revisiting the assumptions before the escalation of investment of financial resources.

In successful fast cycle projects, we observed three major characteristics of the review process. First, although the

senior managers underscored the importance of speed, they persistently emphasized the idea that the success of fast cycle teams is defined in terms of providing fast comprehensive information to senior management to make rapid decisions. For instance, the decision could be to escalate or discontinue the project. Second, the reviews were long – often lasting two to three hours for any single project – and the senior management insisted that the project leader begin by providing a thorough update from the previous session and conclude with stretch targets for the next session. Third, there was significant thrust and parry in the discussion among senior management and with the project team on the data generated by the team. This was unlike the discussions we observed in the case of regular teams.

“The senior management must manage two somewhat contradictory goals: continuous monitoring and empowerment of the fast cycle teams.”

To promote empowerment, the senior management should allow the team significant freedom to innovate in operational details. Empowerment in regular teams typically meant setting the operating procedures, but consistent with traditions. In the case of fast cycle teams it included breaking “sacred” traditions. Fast cycle capability relies on harnessing the creative potential of the team members for the progress of the project:

- In one example, the fast cycle team set up an experiment to test whether or not the project should proceed. The experiment involved relatively less resources and time consuming data collection than would have been in the case had the project proceeded along regular lines. As a result of the data, the team recommended that the project be discontinued, a recommendation that was quickly accepted by the senior management. This saved the organization several millions of dollars in development costs. The senior management communicated to the rest of the organization that they judged the team an unqualified success, even though the project was discontinued.
- In another example, the project leader, in an attempt to highlight the importance of thinking outside the box, rewarded a temporary associate who provided an innovative solution with a bonus, and presented it in front of the project team. In doing so, the leader bent or broke a number of human resource policies of the corporation.

Protection from other parts of the organization

The senior management should provide the project teams with protection from external intrusion. Fast cycle teams, do things differently. Indeed they should expect to break many of the “rules” that an organization has informally built up over time. This can initiate conflict with other parts of the organization. Senior management should be prepared to provide the fast cycle team with protection from intrusive outside forces:

- In our case study, the senior manager mounted a serious communication program lasting over the fast cycle projects laying out the rationale for the projects and their requirements. This was not a one-shot effort, but was repeated in many formats and occasions to remind the organization the relevance of the fast cycle teams and their accomplishments.
- In some cases, the senior manager overtly defended a particular strategic decision of a fast cycle team. For example, one decision involved fast tracking documentation for filing with a regulatory agency in Europe, which in turn meant concentrating resources on the fast cycle project to the exclusion of some regular projects. When for the first time the approval was not granted, some in the organization pointed to the decision, trying to discredit the fast cycle concept itself. The defense involved laying out the rationale and full support for the action; in doing so, the senior manager put his prestige behind the team decision. The team had a back up plan and therefore was able to reverse the regulatory decision in a couple of months.

Managing expectations

The expectations of the regular teams should be managed while fast cycle teams are in operation. It is equally important to communicate to the regular teams that, for business reasons, their projects will receive lower priority. This responsibility should not rest exclusively on the senior management but be reinforced at the middle levels. Managing the expectations of the regular teams is an important activity in order to keep up the morale of the organization.

The danger of creating perceptions of “favoritism” was thwarted in this company for several reasons: the communication campaign we referred to earlier, the reinforcement by most middle management about the strategic need to institute fast cycle projects, and indeed the appearance of rationality generated by the logical and systematic approach undertaken.

Organizations intent on developing fast cycle capability will have to imbue themselves with all that can be learned from the first set of fast cycle projects. Indeed the experience of fast cycle teams should be applied to all subsequent projects. This requires building an appropriate organizational architecture and developing knowledge management systems. The greatest challenge in building fast cycle capability lies in having the foresight to invest in organizational capability that pays off in the long run. The organization must be restructured so that the day-to-day activities support the missions of the fast cycle teams and the dissemination to the rest of the organization of the knowledge obtained from their experiences. Knowledge management is essential to fostering efficient use of fast cycle teams (see Davenport and Prusack, 1997). Since knowledge management is fast becoming a systematic discipline, the technical expertise for this is increasingly available. Senior managers have, however, to make sure that the expertise is put to use.

In summary, this research concludes that senior management is a major player in the effectiveness of fast cycle teams. Although typically project leaders and team members may become convenient scapegoats for failure – and in many cases they may indeed be the cause of failure – senior managers share heavy responsibility for the outcomes. Conversely, however, in successful efforts, the senior management should remain the unsung heroes in the organization, generously laying the credit for the successes at the doorstep of the teams. ■

Note

- 1 Several good books on fast cycle capability are useful for this purpose, e.g. Stalk and Hout (1990), Smith and Reinertsen (1991), Meyer (1993) and Narayanan (2001).

References

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