ANDREAS SCHERER

BE FAST OR BE GONE

A Business Novel



Racing the Clock with Critical Chain Project Management

BE FAST OR BE GONE

Racing the Clock with Critical Chain Project Management

Andreas Scherer



CONTENTS

PREFACE VII

ACKNOWLEDGMENTS XI

- 1. BAD NEWS 1
- 2. GETTING IN 11
- 3. LEARNING FROM THE INSIDE 21
 - 4. MORE BAD NEWS 35
 - 5. A NEW PLAN 49
 - 6. CROSSING THE RUBICON 69
 - Z THE TOWN HALL MEETING 77

- 8. REACHING PHASE II 91
- g. THE BOARD MEETING 105
- 10. THE INTERVIEWS 115
- 11. THE TURNAROUND STRATEGY 131
 - 12. FIRST THINGS FIRST 151
 - 13. THE NEW GAME 163
 - 14. THE BOTTLENECK 177
 - 15. PICKING UP SPEED 191
 - 16. THE WORD GETS OUT 203
 - 17. COMING HOME 217
 - 18. EPILOGUE 223

Appendix: IMPLEMENTING CRITICAL CHAIN 227

PREFACE

ong before Henry Ford figured out how to make more cars in less time by using the assembly line, the business world wanted to be faster. Be fast and you get your product to customers sooner. Be fast and you have a winning edge over your competition. Be fast and you increase your bottom line.

Executives know that the demand for speed never stops. Like competitors in the 100-yard dash, we always want to shave just a little bit more off our best time, and then shave a little more off of that. Businesses want to be faster, because otherwise someone else will be there first. Yet most companies struggle to figure out how to do it. No matter what they do, projects seem to come in late, and everything takes just a little longer than expected.

Over the many years that we have been implementing Critical Chain solutions in Fortune 500 companies, we have helped them to substantially improve their

on-time delivery performance. Companies that have correctly learned to use Critical Chain are typically on time with more than ninety-five percent of their projects. More than that, we have successfully accelerated those projects, cutting up to fifty percent off their historical project durations.

These numbers sound too good to be true. They're not. But it's hard to believe in the Critical Chain approach until you've seen it at work. I spend a lot of time talking to executives about Critical Chain. I go over the mechanics and the underlying principles. I give people case studies. I have them do group exercises. I write blogs. But I found that no matter how much I talked about Critical Chain and no matter how well I did it, you can't really get it until you've seen it applied. I wrote this book because I wanted you to have the opportunity to see Critical Chain at work, in an imaginary company, the way that it has worked for our Fortune 500 customers and the way that it could work for you.

The story is fiction. There is no Mike Knight and there is no Altus Labs. But the details in their story are taken from my experiences implementing the Critical Chain in companies all over the world.

Above all, this story will introduce you to the three simple concepts at the heart of Critical Chain:

ix

- Sound project planning
- Disciplined execution of key tasks
- Focused work that lets your people get the job done

Be Fast or Be Gone shows you how these simple principles are applied on an individual project and throughout an organization. It shows you what happens when the principles aren't in place, and it shows you how fast change can happen when they are. It shows you how you can leverage Critical Chain in your efforts to continuously get better and more competitive. It shows you the way to become a market leader.

Andreas Scherer January, 2011 Lake Ridge, Virginia

ACKNOWLEDGMENTS

Rob Newbold and Bill Lynch founded ProChain Solutions, a Critical Chain Project Management Company, in 1996. They created the relationships with major companies and drove the development of ProChain's software and processes that have led to the company's long-standing record of success. They started ProChain Press. Without their hard work and entrepreneurial spirit, this book never could have been written. Without their extremely valuable advice during the various iterations of *Be Fast or Be Gone*, this would have been a much different book. I owe them many thanks.

I am also grateful to my other colleagues at ProChain for their continuous efforts to improve Critical Chain Project Management. In particular, Bill Fulton, Dr. Richard Moore, and Dr. Wendell Simpson were very supportive of this book and provided useful feedback.

Be Fast or Be Gone describes the implementation of Critical Chain at Altus Labs—a fictional pharmaceutical company based in the Philadelphia area. I received a lot of input from people in the life sciences industry that helped me make this fictional company feel more real. In particular I'd like to thank Jason Bork, Jesse Conard, Dr. Hugh Davis, David Douglas, Dr. Martin Hynes, Ann Gerritsen, Dr. Eric Morfin, Dr. Sandra Morris, and Dr. John Sun for lending me their expertise.

In addition, I received help from people who are very close to the world of Critical Chain and process improvement. I'd like to thank Dr. Steve Eppinger, Dr. Chip Heath, Dr. James Holt, Nancy Malthouse, and Maike Scherer for their invaluable comments.

And finally, a big "thank you" goes out to Dr. Sarah Skwire. She lent me her expertise as the author of *Writing with a Thesis* and her experience as a writer to guide me through this project.



BAD NEWS

It had been a long time since anyone had made Mike Knight wait for anything. He made all his business trips with the same airline so that, with his platinum status, he never had to wait to get onto the plane. He never checked luggage, of course. Why wait at baggage claim when you could just learn to pack a little smarter and save yourself forty-five minutes? He went to the same Starbucks every morning on his way into the office because his favorite barista already knew that he wanted his double-shot cappuccino extra dry and with non-fat milk. He didn't have to waste time ordering. Most mornings the cup was ready for him before he'd even gotten to the front of the line to pay. He listened to executive

summaries of the most important business books on his phone while he did his morning workout. He had his admin schedule his business calls as if they were thirty-minute meetings so he didn't get caught up in long conversations about weekend golf, soccer coaching, and the newest brew pub. He never let email sit in his in-box overnight. By the end of the day, a message was filed, deleted, or answered. If he could find a way to be more efficient, he did it. If he could shave five minutes off an errand, he would.

Even Timmy, who wanted to be called Tim now that he had reached the sophisticated age of eight, had been born early. Mike's wife joked that any child of his would have known better than to be late. Dad wouldn't stand for it.

Saving time, managing time, creating time where no one thought it existed, that's what Mike did. That's how he made his living, and he was good at it. Very good. So when Mike Knight's world started to crumble around him, it was made all the worse because it started so damn slowly.

~~~

It had begun early that March when Tim began sleeping late most mornings. Then he got a little klutzier than he ever had been on the soccer field. Mike and Sally attributed it all to growing pains and to one of those phases kids go through where you can see the annoying teenager that your darling grade-schooler will grow up to be.

A few weeks later he started to get headaches. Allergies, they thought, or maybe a sinus infection. Or maybe he just needed glasses. They made an appointment with the optometrist to have his eyes examined.

It was one night after a soccer practice in April, as he lay sprawled on the couch watching television, that he had the seizure. Mike and Sally, terrified, had taken him to the ER, which sent them directly to a staff neurologist. He'd admitted Tim, ordered an MRI, and then called Mike and Sally into his office while Tim slept quietly in a room on the children's floor.

In silent fear, they sat and waited for him to explain what was happening.

Dr. Maples sat with Tim's chart open on his desk. Several times he seemed on the point of speaking but then looked down at the chart again. Finally, he simply handed them one of the scans from the MRI.

There it was, on the left side of their son's brain, his perfect, smart, funny, inquisitive, fascinating, curious little brain. A black, ominous splotch.

"Is that . . . ? Does Tim have a . . . ? My god, Mike, I can't even say it."

Mike swallowed his rising nausea and panic. "Are you telling us that our son has a brain tumor?"

Dr. Maples nodded slowly. "I'm sorry. This isn't the kind of news you ever get used to delivering. There's no good way to tell you, but this looks very bad. Tim obviously has a brain tumor, and it's large and, I think, fairly advanced."

"So what are our options?"

"There are a few things we can try, some standard approaches that may prove helpful. Tumors are hard to predict. We don't see a lot of them in children Tim's age. We haven't got a lot of data to work with on this kind of thing.

"What all that means is that, while I can tell you what we can expect if we don't do anything about this tumor \dots "

"Like what?"

Mike had never seen his wife look so pale and terrified. Not the time they had to rush Tim to the emergency room because he'd broken his collarbone. Not the time they'd stayed up all night with a sixth-month-old Tim during his first bout of stomach flu. Not even the time when, for what had previously been the worst ten minutes of Mike's life, they lost track of Tim at the playground. Those ten minutes, bad as they were, had dissolved in relief and joy when they found him sitting behind a tree trying to persuade a squirrel to come home to live with him. But these minutes, here and now—Mike was beginning to understand, looking at Dr. Maples's solemn face, looking at his

wife's frightened one, that this wasn't going to be solved as easily as finding a lost little boy on a playground.

"If we don't find a way to treat the tumor then it will grow, spread, and put a lot of pressure on his brain. The pressure causes the symptoms we are already seeing. They will get worse."

Mike could feel Sally's cold fingers reaching for his. He knew she was thinking, like he was, of all the times recently that they'd scolded Tim for being scatterbrained, for not listening, not paying attention, not behaving in class. They'd been scolding him, telling him to shape up or he'd lose TV and Internet privileges, and he was sick.

"What I want to do is send Tim to Bethesda to see a specialist in pediatric oncology. Her name is Dr. Hart, and she works with the National Cancer Institute. She's seen a lot more of this than I have and she'll know all your best options. There are one or two people you could work with locally, but if you can manage the trip, Dr. Hart is who I'd take my own children to see."

Later, Sally told Mike she didn't remember how they got out of the office. She didn't remember the drive home either, didn't remember calling Dr. Hart to make an appointment, didn't remember bursting into tears when the nurse told her there was a one-week wait to see the doctor. But Mike remembered that. He remembered every minute of those precious days slipping away from

him, slipping away from Tim, as they waited. And waited. And waited.

Bethesda, Maryland, is right outside of Washington, D.C. They had tried to make the trip to the capital into a little family vacation. They toured the monuments, hit the Air and Space Museum, and logged a lot of time in the hotel pool. But through it all they were waiting. Waiting to see the doctor. Waiting for the test techs to be ready. Waiting for the biopsy results to come in. Waiting for Dr. Hart to have a look at the results. And waiting for a chance to meet with her.

Mike had gone back to see Dr. Hart alone, to hear about the results. He and Sally wanted Tim to hear the news, whatever it was, from them. They wanted to have a chance to try to understand it for themselves first, before they tried to explain it to Tim.

Dr. Hart didn't have any good news. There really couldn't be good news for the parents of a kid with a brain tumor. Anything other than "Oops. We misread the tests, he's fine" is a disaster. And she hadn't said that. She hadn't said anything close.

"Mr. Knight, it's not good news. The biopsy we did confirms that your son has, at best, a rare kind of malignant tumor called an anaplastic astrocytoma. I said "at best" because these biopsies only test a small portion of the tumor. And tumors can be heterogeneous. The part that's tested can present as one kind of tumor, while another part that the biopsy didn't let us look at can be another kind. So the anaplastic astrocytoma is our best of the bad options. There's a possibility that Tim's tumor is a glioblastoma. That's . . . that's as bad as news can get, I'm afraid. And I think that, to be safe, we need to proceed as if a glioblastoma is what he has. That means he needs radical treatment, and quickly."

Mike sat, sick and unmoving, hardly able to follow the barrage of technical information, no matter how clear and gentle Dr. Hart was trying to be.

"The survival rates for these types of tumors . . . frankly, they're not very good. But here's what you need to remember. If you ask me about statistics on tumors like this, and what they mean for Tim, here's the problem. Give me a group of four hundred people in Tim's situation and I can give you some percentages, some survival rates at four months, six months, eighteen months. But if you ask me about your child, I have to say that I just don't know. Tim is one child, with his own medical history, his own strengths, and his own weaknesses. We have to treat him, not the statistics.

"There is, though, some slightly better news hiding here. Tim's tumor appears to be limited to his brain's left hemisphere. That means it has a surgical success rate of about forty percent. If he had a mid-line tumor that spread between both hemispheres, the odds would be about half that.

"Now, surgery can only go so far and only do so much before it damages the brain more than it helps it. But we can address this with tools other than surgery. We'll do that, of course, and as quickly as we can. After the surgery, we'll begin an aggressive course of radiation therapy, which will shrink but not eliminate the tumor. There are also drugs we can use that will help, but won't beat this. You have to realize that Tim's tumor is at stage three. That means the prognosis is simply not very good. We'll throw everything we have at it, though, and then we're just going to have to wait and see."

Why did every doctor in the world tell patients to wait and see? There had to be something else. There was always something to do, something better than just waiting. There's always a solution. You just have to look harder. That's what Mike always told the guys who worked for him, and he believed it.

"There has to be something else, Dr. Hart. So far you're talking about fairly conventional treatment. What about experimental surgery? A drug trial? Someone must have something in development, right? It's the twenty-first century."

"Believe me, Mr. Knight. I feel the same way you do. That's why I'm in this line of work. But there's nothing..." She paused. Mike knew that pause. That was the pause he got when one of the guys on his team was insisting that a problem couldn't be solved, that nothing could be done, and realized halfway through the protests that maybe, just maybe, it could be.

"What? You have to understand, I will do anything for my son. I'm lucky enough to be able to fly him anywhere for a surgery, to be able to pay for any kind of medication, to . . . I'll do anything. Just help him. Please."

She sighed slowly. "There's a drug, Mr. Knight. It's in the earliest stages of development at Altus Labs. It's called Supragrel. My friend Charlene Palmer is Vice-President of Project Management over at Altus. She also chairs the governance committee that oversees this kind of drug development project. She tells me that Supragrel is meant to treat exactly this type of tumor in kids exactly like your son. But it's only in Phase I of testing. The drug has shown some promising results with adults, but using it on children is uncharted territory. Now, Tim would qualify for inclusion in a study of this drug, and when Supragrel is ready for Phase II testing I should be able to get him in. But I don't know when that will be. I'm going to do all I can to keep your son alive so he can be in that test group. We're going to pursue all the standard treatments—we'll have to do that anyway, to qualify him for the testing—and we're just going to have to wait and see how he does. And we're going to have to wait and see when Supragrel hits Phase II. But we're going to need to be very lucky. The timing really doesn't look good."

"Do you know what I do for a living Dr. Hart?"

"I have no idea, but why . . . "

"I work for a company called Versa. I speed up their research and development projects. I'm not going to bother you with the details. But if you could introduce me to Ms. Palmer, maybe I could help."

"I can make the introduction, I suppose. But I can't promise she'll even want to talk to you at all, much less let you have anything to do with the project. I'll do what I can. But, please, don't pin all your hopes on this. Creating and testing a new drug takes a lot of time. And time is something Tim hasn't got a lot of right now."