Many healthcare product companies today struggle to drive effective collaboration across functions in product development and launch. We’ve all heard it before. Marketing are the creative types that need freedom, flexibility and “range of movement” to be successful; let’s not put constraints in place that limit their creativity. Research and development (R&D), on the other hand, is deeply instilled in the scientific method and really knows the science and engineering behind the products. If these two functions can’t work together internally, how can we expect them to effectively collaborate with external partners in a more advanced and open development process?

With greater competitive pressure, healthcare companies need to break through these traditional barriers to collaboration—particularly for over-the-counter products, such as pain treatments, cold and allergy relievers, and eye care solutions, to name a few. Unless marketing is actively involved in the front end of the product development process, R&D is not getting all the market information available to help develop products that could be marketed worldwide. Conversely, R&D often moves too quickly to the next idea, limiting support for the commercialization of a new product during multiple launches around the world.

In working with healthcare companies on their product development and launch processes, it has become clear that four practices are central to achieving effective collaboration between the R&D team and marketing organization.

1 - **Conduct strategic roadmapping to link market, technology and product efforts**

The first step is to conduct a series of roadmapping work sessions, which are all about converting strategic planning into action. Through these sessions, senior management can identify the critical elements of the business strategy that rely on innovation and product development, such as market growth, expectations of growth from new products, priority therapeutic areas, significant patent expirations, and run-for-cash product lines. This effort defines the strategic intent and priorities for portfolio management and frames the analysis of the project portfolio in management reviews.
2 - Use portfolio management to ensure alignment

The ultimate role of portfolio management for a healthcare product company is to provide the analyses that will help the senior leadership team evaluate the investments in product development to determine the health and diversity of the portfolio. Through a series of strategic planning work sessions, senior management needs to articulate a set of desired outcomes and how the company intends to use portfolio management to achieve its innovation objectives. Once established, these goals and objectives serve to guide the approach in terms of executing portfolio reviews. It is important to clearly identify the goals and role of portfolio management and the interrelationship between gate processes and portfolio management disciplines.

Portfolio management helps to ensure a company is working on the right projects and that the portfolio is an accurate reflection of the business strategy—and the appropriate planned spending by phase, medical specialty, and therapeutic area.

3 - Use common metrics to focus on NPD and innovation outcomes

Once the portfolio management process is established, the sustained success of the collaborative development strategy and process depends on breaking down and eliminating the function barriers deep in the company. Senior management needs to make clear the primary purpose and need for greater collaboration and set high level cross-functional metrics and targets for the company.

It is important to set broader process metrics and targets for the organization and incorporate them in the operations planning and performance review processes. Clear articulation of the collaborative development strategy and metrics helps to ease concerns and guide functional decisions and activities, because the rationale and benefits of cross-functional collaboration are now clear to the marketing, product development, product management, and supply chain teams that need to execute. This approach is critical in changing the behavior of functional groups in order to improve project execution and delivery.

4 - Conduct gate meetings that involve representation from each function

Once business strategy, innovation strategy and portfolio management processes are aligned, senior leadership needs to focus on ensuring that the right projects are properly resourced and executed. Gate meetings are important to making sure this occurs. These meetings should have representation from marketing, R&D, and other functions and serve to build an understanding of each function’s concerns, desires and needs. Key gate decisions need to be made based on the tradeoffs a company is facing.
Ultimately, the priorities established in the portfolio review process will guide decision-making in gate meetings. For example, when a high priority project is struggling to stay on schedule due to critical skill or resource constraints, lower priority projects are reevaluated—and rescheduled in some cases—to make certain that higher priority projects are successful.

A well developed and executed collaboration strategy and approach following these four practices can deliver significant benefits to healthcare product organizations struggling with functional misalignment. The recommendations are probably beneficial for any company facing the same challenges. The cascading relationship and tight link between business strategy, product development strategy, portfolio management, and gate reviews ensures that the company’s goals and priorities are consistent and clear, and that its resources are aligned with their highest and best use. As a result, organizations can deliver significant productivity and R&D efficiency gains, improve time-to-market, and increase end-customer satisfaction and commercial success.