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跨國藥廠台灣分公司敏捷轉型之個案分析

Case Study of Agile Transformation in a Local Branch of a

Multinational Pharmaceutical Company

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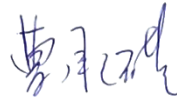
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Case Study of Agile Transformation in a Local Branch of a Multinational
Pharmaceutical Company

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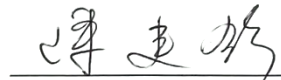
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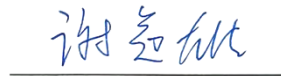
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Writing the thesis has been a fascinating journey. Although I changed my topic midway and the timeline is delayed a little bit, it helped me better understand what agile organizations truly are. It opened my eyes to the business world and allowed me to envision new possibilities for the future of the pharmaceutical industry.

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摘要

作為擁有 160 年輝煌歷史的老牌製藥公司，B Pharma 因為多種原因陷入困境，包括遭遇專利到期帶來的營業額下降、缺乏未來新產品，以及其官僚化的組織結構。隨著新的執行長在 2023 年上任，他在前公司擁有推行敏捷轉型的成功經驗，為了迅速且可持續地改善營運績效並提高靈活性，必須採取深遠的改革措施。

敏捷組織被視為適應性強的生命系統，在不可預測的環境中能夠穩定又靈活地運作。這類組織強調以客戶為中心，能夠靈活應對市場變化、技術創新、客戶反饋及法規要求。它們開放包容且非階層化，能夠持續發展而不需進行破壞性的重組，自信地面對不確定性與模糊性 (De Smet, Lurie, & St George, 2018)。

所謂的「敏捷轉型」是指專注於組織敏捷性的轉型 (Salo, 2017)。B Pharma 正邁向敏捷轉型的道路，而其在台灣的分公司 B Pharma Taiwan 是此次轉型的先鋒。這項研究旨在了解轉型背景、挑戰、組織結構、公司規範及文化的變革，以及轉型的主要成果和未來的建議。

此研究分析了 B Pharma Taiwan 在 2023 年敏捷轉型之前的組織結構和營運問題，並提供了如何通過改變組織結構、領導職位的角色、公司規範與流程、會議方式及組織文化來支持公司完成敏捷轉型的資訊和分析。所有的資訊和洞見都可以幫助其他傳統金字塔結構的公司轉型為敏捷組織作為參考。該研究還提供了公司敏捷轉型的未來挑戰及建議。

關鍵詞：敏捷轉型、敏捷組織、藥廠、VACC 領導、VUCA

Abstract

As a historical pharmaceutical company with 160 years of legendary history, B Pharma was in a difficult situation for various reasons, including a sales revenue drop due to facing a patent cliff, lack of future product pipeline and its bureaucratic organization structure. As the new CEO of B Pharma onboarded in 2023 with successful agile transformation experience in the previous company, in order to make rapid, sustainable improvements to its operational performance and room to maneuver, far-reaching measures are necessary. Agile organizations, seen as adaptive living systems, thrive in unpredictable environments by being both stable and dynamic. With a strong focus on customer-centricity, they fluidly adjust to market changes, technological innovation, customer feedback, and regulations. Open, inclusive, and non-hierarchical, they evolve continuously without the need for disruptive restructurings, confidently embracing uncertainty and ambiguity (De Smet, Lurie, & St George, 2018).

"Agile Transformations" refer to transformations that focus on organizational agility (Salo, 2017). B Pharma stepped its way toward agile transformation. B Pharma Taiwan, the local branch company of B Pharma in Taiwan, acts as a forerunner of the transformation. The study aims to understand the background, the challenge, the changes in organization structures, regulations and cultures during the transformation, and the primary outcomes and potential suggestions for the agile transformation.

The study analyzes B Pharma Taiwan's organizational structure and Operational Issues before the Agile Transformation in 2023. It will provide information and an Analysis of how the change in organizational structure, leadership roles, regulations and processes, meeting methods, and organizational culture can support the company's completion of the Agile Transformation. All information and insights could serve as a reference to help other traditional pyramid structures companies transform themselves into agile

organizations. The study also provides future potential challenges and suggestions for the company's agile transformation.

Keywords: Agile transformation, Agile organization, Pharmaceutical, VACC leadership, VUCA

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List of Abbreviations and Vocabularies

Abbreviations/ Vocabularies	Definition
BU	BU (Business Unit) is a division within a company responsible for specific products or services, operating semi-independently.
BUD / BU Head	A BUD / BU Head is responsible for overseeing all operations, strategy, and performance within a specific business unit.
CEO	A CEO (Chief Executive Officer) is the highest-ranking executive responsible for the overall management and strategic direction of an organization.
GM	A General Manager (GM) is a senior executive responsible for overseeing the daily operations, strategy, and overall performance of a company or division, ensuring alignment with business goals and objectives.
HR Partner	An HR Partner collaborates with business leaders to align human resource strategies with organizational goals, focusing on employee development, performance, and recruitment.
PFI	Patient Focused Interaction (PFI) involves healthcare professionals engaging with patients to understand their needs, concerns, and preferences, ensuring that treatments and care plans are aligned with improving patient outcomes.

PLT	PLT (Pharma Leadership Team) is a senior management group in a pharmaceutical company, responsible for guiding strategy, decision-making, and ensuring alignment across business functions to achieve organizational goals.
P&I	P&I expense (Public and Information expense) refers to costs incurred by a company related to public relations, advertising, promotional activities, and information dissemination aimed at promoting brand awareness and communication.
SOP	SOP (Standard Operating Procedure) is a set of step-by-step instructions designed to ensure consistent and efficient task execution.
T&E	T&E expense (Travel & Entertainment expense) refers to costs a company incurs for employee business travel, lodging, meals, and entertainment, typically for client meetings or business development purposes.
VUCA	VUCA stands for Volatility, Uncertainty, Complexity, and Ambiguity, describing the challenging and unpredictable nature of today's business environment.
VACC	VACC stands for Visionary, Architect, Catalyst, and Coach. It represents four key leadership roles in Agile organizations, focusing on vision, system design, driving change, and coaching teams for continuous improvement and empowerment.
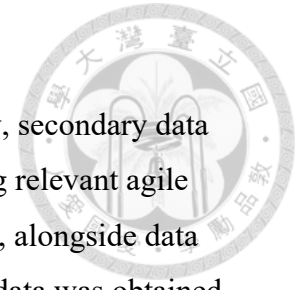
Chapter 1 Introduction

1.1) Research background

As a historical pharmaceutical company with a 160-year legacy, B Pharma found itself in a challenging situation due to various factors, including facing a patent cliff resulting in a sales revenue drop, a lack of future product pipeline, and a bureaucratic organizational structure. With the appointment of a new CEO in 2023 with successful transformation experience in the previous company, the company recognized the need for rapid and sustainable improvements to its operational performance and strategic flexibility. To achieve this, far-reaching measures were deemed necessary. Agile organizations, seen as living systems, have evolved to thrive in unpredictable, rapidly changing environments characterized by their stability and dynamism.

B Pharma began its transformation journey towards becoming an agile organization. This study focuses on B Pharma Taiwan, the local branch of B Pharma in Taiwan, which is leading the transformation and serving as a forerunner model for the entire company. This research aims to compare agile transformation theories with the real-world case of B Pharma Taiwan. Given the limited case studies on agile transformation in Taiwan, particularly in the pharmaceutical and other industries, this study also seeks to identify the challenges faced during agile transformations in Taiwan. Additionally, it offers potential suggestions for local companies looking to adopt agile methodologies and transition into agile organizations in the future.

1.2) Scope of the Research
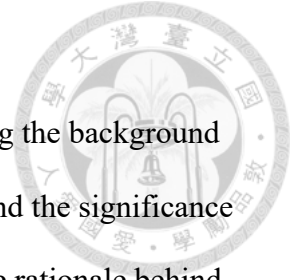
This research utilized both primary and secondary data sources. Initially, secondary data was employed to build a solid foundation of understanding by reviewing relevant agile theories and previous studies through a comprehensive literature review, alongside data gathered from the company's employee survey. Subsequently, primary data was obtained through qualitative, in-depth interviews with selected executives, managers, and first-line staff of B Pharma Taiwan, aiming to capture their direct insights and perspectives. The study is ultimately centered on identifying key factors contributing to the primary outcomes and offering potential recommendations for the agile transformation process.

1.3) Importance and Significance of the Study

The research offers valuable insights into the operational challenges previously faced by the company and highlights the value that change management brings during its agile transformation journey. It also elucidates how agile transformation can assist established pharmaceutical companies in enhancing operational efficiency, streamlining decision-making processes, reducing internal multi-layered and cross-functional barriers, and boosting customer satisfaction. Additionally, given the limited case studies on agile transformation in Taiwan, particularly in the pharmaceutical and other industries, the study could provide practical recommendations and observations for companies undergoing agile transformation, enabling them to better adapt to evolving market conditions.

1.4) The Thesis Structure

This thesis is structured into five key chapters, each of which plays a critical role in developing a comprehensive understanding of the subject matter:

Chapter 1: Introduction

This chapter provides a detailed overview of the research topic, including the background and context of the study. It outlines the research questions, objectives, and the significance of the study. This section also briefly explains the research scope and the rationale behind selecting B Pharma Taiwan as the case study for examining agile transformation.

Chapter 2: Literature Review

This chapter delves into existing academic literature, theoretical frameworks, and previous research related to organizational agility, change management, and transformation in the pharmaceutical industry. It critically examines key concepts, theories, and models that are pertinent to the study.

Chapter 3: Methodology

In this chapter, the research design and methodology are explained in detail. It discusses the rationale behind selecting qualitative and quantitative approaches and the data collection methods (including in-depth interviews). It also outlines how the data will be analyzed and interpreted to answer the research questions, ensuring that the study's findings are valid and reliable.

Chapter 4: Case Study and Analysis

This chapter presents the case study of B Pharma Taiwan, detailing its journey through the agile transformation process. It includes an analysis of the collected data, examining the impact of the transformation on the organization's operations, decision-making processes,

and overall performance. The chapter provides an in-depth analysis of the challenges and successes encountered during the transformation, with a focus on how the principles of agility were applied within the organization.

Chapter 5: Conclusion and Suggestions

The final chapter summarizes the key findings of the study, drawing conclusions based on the analysis presented in Chapter 4. It reflects on the research questions and the extent to which they have been answered. Additionally, this chapter provides practical suggestions for B Pharma and other pharmaceutical companies considering or undergoing agile transformation. It also suggests areas for future research, particularly in the context of long-term sustainability and the broader implications of adopting agile practices in the pharmaceutical industry.

Chapter 2 Literature Review

2.1) VUCA World and Agility

As the world becomes susceptible to intermittent explosive eruptions and a surging level of uncertainty prevails, the acronym VUCA, which expands to Volatile, Uncertain, Complex and Ambiguous, becomes increasingly popular. Almost everything needs clarity, and ambiguity becomes the routine of every day (Sinha & Sinha, 2020).

The challenges posed by the VUCA environment demand that organizations rethink their approach to management and leadership. In this rapidly evolving landscape, both business and leadership agility have become more crucial than merely acknowledging VUCA, as the traditional VUCA model is increasingly becoming outdated (Junaid Beata & Bülent, 2022). To survive and thrive in the modern landscape, numerous organizations are transitioning from traditional structures tailored for the industrial age to agile models suited for today's digital economy. This significant shift users in a new organizational paradigm, one that fosters innovation, collaboration, and value creation with unmatched speed, scale, and impact (De Smet, Lurie, & St George, 2018).

Agile methodologies promote innovation in an increasingly VUCA marketplace. The surge in agile adoption is fueled by the enthusiasm of talented employees who appreciate its transformative empowerment of autonomy, mastery, and purpose and by management teams that recognize its value in navigating rapidly evolving technologies and swiftly changing customer demands (Denning, 2016c).

Agility is recognized as a critical capability for organizations to thrive in competitive, dynamic, and unpredictable environments. It can be defined as the capacity for rapid

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adaptation and swift organizational response to external changes. Organizational agility, as a proactive management strategy, ensures effective resource utilization and timely fulfillment of customer demands. It is indispensable for efficiently managing organizational knowledge and responding to evolving market conditions and environmental turbulence (Kanten, Kanten, Keceli, & Zaimoglu, 2017).

Agility should be viewed as a measure of a team's performance rather than simply as a descriptor for practices and methods. Since performance can be influenced by a blend of organizational, team, and project-related factors, the level of agility can be assessed through two key dimensions: the ability to quickly adapt project plans and the degree of active customer involvement (Conforto, Amaral, Da Silva, Di Felippo, & Kamikawachi, 2016).

2.2) Agile Organization Evolution

Businesses are undergoing restructuring and re-engineering to meet the challenges and demands of the 21st century. To thrive, companies must address the needs of increasingly demanding customers who expect high-quality, cost-effective products tailored to their specific and rapidly changing preferences. Agility offers new approaches to managing businesses in response to these challenges, emphasizing the importance of abandoning outdated methods and transforming traditional operations. In today's competitive landscape, organizations must evolve to become significantly more flexible and responsive than ever before (Gunasekaran, 1999).
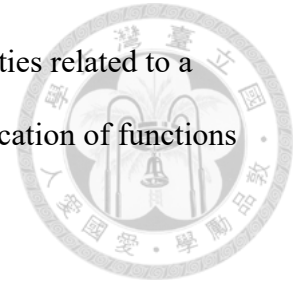
2.2.1) *Hierarchical Structure*

In predictable and stable environments, organizations often adopt a mechanistic design. Such organizations typically feature a rigid hierarchical structure, centralized authority, and formalized management practices. They are characterized by a strict division of labor, a narrow span of control, an abundance of formal rules and procedures, and structured coordination methods (Sherehiy, Karwowski, & Layer, 2007).

In a hierarchical, bureaucratic organization, bureaucracy is marked by highly specialized, routine operating tasks, strictly formalized rules and regulations, and centralized authority. Tasks are grouped into units with narrow spans of control, and decision-making strictly adheres to the chain of command. The strength of bureaucracy lies in its ability to execute standardized activities with high efficiency. Clustering similar specialties into units achieves economies of scale, minimizes duplication of personnel and equipment, and fosters a common language among employees. However, one of the major drawbacks of bureaucracy is that this specialization can lead to conflicts where unit-level priorities overshadow the organization's overall objectives. Another significant area for improvement is the rigid adherence to rules; when situations align perfectly with established guidelines, there is little flexibility for adaptation. Bureaucracy remains effective only when employees encounter familiar problems that can be addressed with predetermined decision-making rules (Robbins & Judge, 2018).

The divisional structure organizes employees into units based on product, service, customer segment, or geographical market area, resulting in a highly departmentalized organization. This structure enhances coordination within each unit, enabling timely project completion, meeting budget goals, and efficiently bringing new products to market while catering to the

unique needs of each division. It offers clear accountability for all activities related to a specific product or service. However, this structure can lead to the duplication of functions and increased costs across the organization (Robbins & Judge, 2018).
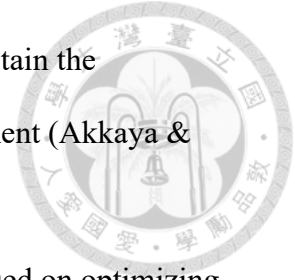
2.2.2) Agile Organization

In contrast to traditional bureaucratic organizations, agile organizations, which are seen as dynamic living systems, have adapted to excel in unpredictable and fast-changing environments. Organizations functioning in unstable and unpredictable settings often adopt an organic design, which is characterized by a less formal structure, reduced hierarchy, and a flexible approach. This design features a broader span of control, a more fluid division of labor, decentralized decision-making, fewer rigid rules, and a more personalized approach to coordination (Sherehiy, Karwowski, & Layer, 2007).

Agile organizations strike a balance between stability and dynamism. They prioritize customer-centricity, weaving it into every aspect of their operations. These organizations implement proven practices that can seamlessly adapt to market shifts, technological advancements, customer input, and regulatory changes. They are characterized by openness, inclusivity, and a non-hierarchical structure, allowing them to evolve continuously without the need for frequent disruptive reorganizations common in more rigid organizations. Agile organizations also approach uncertainty and ambiguity with greater confidence, embracing these challenges as opportunities for growth (De Smet, Lurie, & St George, 2018). The continuous and dynamic evolution of customer demands and expectations necessitates that organizational supervisors and managers persistently

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adapt to these fluctuations. This ongoing adjustment is imperative to sustain the organization's competitiveness within a highly volatile market environment (Akkaya & Tabak, 2020).

Organizational agility constitutes a proactive managerial approach focused on optimizing the allocation and utilization of organizational resources while effectively fulfilling customer demands in a timely and responsive manner (Hitt et al., 2007).

For the majority of firms, the pursuit of organizational agility necessitates a comprehensive transformation, characterized by the systematic elimination of inefficiencies and the strategic realignment around core business functions (Glenn & Stahl, 2009). Agile organizations demonstrate the capacity to accelerate product development processes by a factor of five, expedite decision-making processes threefold, and reallocate resources with agility and precision (De Smet, Lurie, & St George, 2018).

2.3) Critical Factors in Agile Organization

2.3.1) Agile Practice Core Principles

Denning (2016c) identifies three foundational principles that organizations adopting Agile practices should adhere to:

The Law of the Small Team: This principle emphasizes the importance of small, cross-functional teams working autonomously to enhance efficiency and innovation;

The Law of the Customer: This principle underscores the centrality of customer focus, advocating for the prioritization of customer needs and feedback in all aspects of organizational operations;

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The Law of the Network: This principle promotes the idea of creating a networked organization where various teams and units are interconnected, fostering agility, flexibility, and rapid decision-making across the entire organization.

The Law of the Small Team

The key attribute of Agile organizations is the collective mindset of mini-scale, autonomous members from different functions to form teams working in short learning cycles. These teams focus on small, value-driven tasks, continuously seeking end-user feedback to remain adaptive and responsive to customer needs.

The core practices of Agile teams in achieving this include:

"1. Work is organized in short cycles.

2. The management doesn't interrupt the team during a work cycle.

3. The team reports to the client, not the manager.

4. The team estimates how much time work will take.

5. The team decides how much work it can do in an iteration.

6. The team decides how to do the work in the iteration.

7. The team measures its own performance and produces finished work at the end of each short cycle.

8. Work goals are defined before each cycle starts as outcomes through user stories.

9. Managers systematically remove impediments.

*10. The team systematically inspects and adapts performance to ensure continuous improvement." (*Denning, 2016c)

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The Law of the Customer

The second defining characteristic of Agile organizations is an unwavering commitment to delivering value to customers. In Agile, the customer holds a position of paramount importance, which is both evident and yet challenging to fully comprehend. This difficulty stems from the fact that, during the 20th century, many managers adopted the rhetoric of "the customer is number one" while continuing to operate within an internally focused, top-down bureaucratic framework primarily aimed at maximizing shareholder value. While bureaucratic organizations do not completely disregard their customers, their efforts to meet customer needs are often constrained by the limitations and rigidities of their internal systems and processes. In contrast, Agile organizations prioritize customer needs above all else, ensuring that their structure and operations are directly aligned with delivering exceptional value to customers (Table 1).
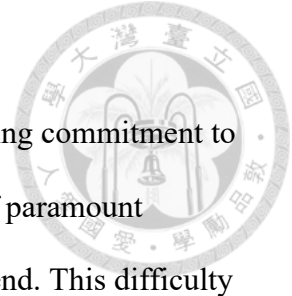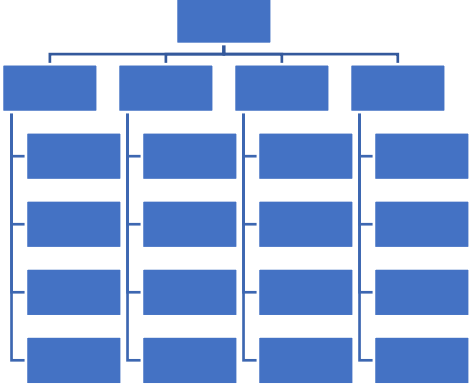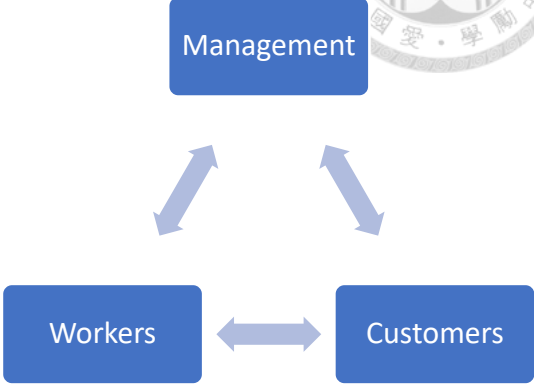
Table 1: Difference between Bureaucratic and Agile organization

The Bureaucratic Organization	The Agile organization
- Internally Focused	- Externally focused
- Fixed mindset	- Growth Mindset
- Defend existing advantages	- Create new advantages
- Make money for shareholders	- Deliver Value to Customers

Source: Denning, S. (2016) Understanding the three laws of Agile. Strategy & Leadership. 44(6), 3-8.

In an Agile organization, every individual possesses a direct connection to the ultimate customer, and "customer focus" takes on a fundamentally different meaning, enabling them to clearly understand how their work contributes to the value provided to that customer—or if it fails to do so. If any task or process does not add value to the customer or end-user, it immediately prompts critical evaluation of why it is being undertaken. Agile organizations systematically align every aspect of their operations—goals, values, principles, processes, systems, practices, data structures, and incentives—with the overarching objective of

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consistently delivering new value to customers. Anything that does not contribute to this objective is swiftly identified and eliminated.

The Law of the Network

In Agile organizations, individuals view the company as a fluid, interactive, and transparent network, working collaboratively to achieve the common goal of exceeding customer expectations. Once Agile principles are fully implemented, the organization shifts from a slow-moving, bureaucratic entity to a flexible and adaptable structure, resembling a fleet of fast-moving speedboats. The company transforms into an organic network of highly efficient teams, where managers acknowledge that skills and innovation are dispersed across all levels, enabling breakthroughs from any part of the organization. Both leadership and employees are united by the singular focus of delivering enhanced value to customers. Agile teams proactively address challenges by collaborating across teams, fostering a shared mindset throughout the company.

While some believe Agile organizations are flat and non-hierarchical, top management remains essential in steering the organization's strategic direction. In Agile environments, hierarchy is based on merit and expertise, with the primary success metric being customer value creation (Denning, 2016c).

Agile organizations rethink both whom they create value for and how they achieve it. They maintain an intense customer focus, striving to meet diverse needs across the entire customer life cycle. Furthermore, they are committed to generating value for a broad array of stakeholders, including employees, investors, partners, and communities. To address the continuously evolving needs of all stakeholders, Agile organizations implement distributed

and flexible approaches to value creation, often integrating external partners directly into the value-creation process (Aghina et al., 2017).

The organization functions with an open, fluid communication system across all levels, enabling seamless interaction among employees and customers alike. Ideas can originate from anyone from or outside the organization. The company evolves, adapts, and learns continually, seizing opportunities to enhance customer value. This consistent value creation drives substantial returns for the organization when the implementation works efficiently (Denning, 2016c).

2.3.2) Leadership and Talent Management

To effectively drive agile transformation, organizational leaders must adopt new approaches and develop different skill sets. While the mindsets and skills they've honed over the years are essential, they are not sufficient for leading 21st-century organizations (De Smet, Lurie, & St George, 2018). A significant challenge remains in moving agile from the "team level" to an organization-wide practice; as noted in the 17th State of Agile Report (2023), 36% of survey respondents indicated that leadership's lack of understanding and the presence of roadblocks—whether intentional or not—hinders this transition.

To successfully design and build an agile organization, leaders need to fundamentally change their approach. They must view their organizations as distributed, continuously evolving systems and possess the skills necessary to build and manage these systems effectively (De Smet, Lurie, & St George, 2018). This requires an understanding of both

business and social human networks, and the ability to design, build, collaborate across, and sustain these networks (Aghina et al., 2017).

Leadership Capability

The new leadership model encompasses four key roles: visionary, architect, coach, and catalyst. While traditional leadership functions remain relevant, these new roles are seamlessly integrated into the day-to-day operations of the organization.

As **visionaries**, leaders develop and communicate a compelling purpose or "North Star" by gathering insights from across the organization. They work with teams to translate this vision into measurable outcomes.

As **architects**, leaders design an adaptable and empowered system that enables ongoing planning, execution, and adjustments. They challenge outdated assumptions to allow for innovation in business and operational models.

In their role as **coaches**, leaders cultivate team members' business acumen, strategic thinking, and collaboration skills by fostering a culture of continuous learning, experimentation, and reflection.

As **catalysts**, leaders energize the organization by removing barriers, promoting cross-functional collaboration, and creating an inclusive environment where individuals feel empowered to contribute and grow, both personally and professionally (Lurie M, Tegelberg L ,2019).
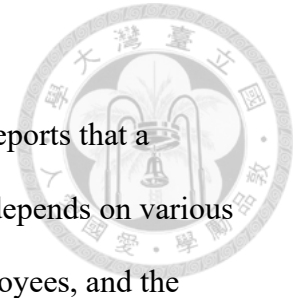
Span of Coaching

"Span of coaching" or "Span of control" refers to the number of direct reports that a manager or leader supervises. Determining the optimal span of control depends on various factors such as the complexity of the work, the experience level of employees, and the degree of process standardization within the organization.

In general, a larger span of control is suitable for organizations where tasks are highly standardized, repetitive, and require less oversight, as it allows managers to oversee a greater number of employees with fewer interventions. For instance, in call centers or routine administrative departments where work is highly structured and training time is minimal, a manager can effectively supervise a larger number of employees, sometimes exceeding 15 direct reports.

In contrast, organizations with complex, knowledge-intensive roles, like consulting or strategic functions, typically require a smaller span of control. In these environments, managers must provide extensive guidance and mentoring, often due to the high degree of variability in tasks and the need for specialized knowledge. Here, a span of 3-5 direct reports may be more appropriate (Acharya A et al, 2017).

However, the relationship between environmental characteristics and organizational design also shows two main structures: mechanistic and organic. Organizations in stable and predictable environments typically adopt a mechanistic design, characterized by a hierarchical structure, centralized authority, formal rules, and a narrow Span of control. This approach involves a precise division of labor and formal coordination methods.
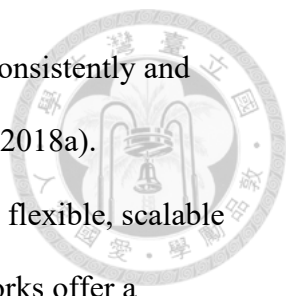
In contrast, organizations in dynamic, unpredictable environments tend to favor an organic design. This structure is less formal and hierarchical, with decentralized authority, fewer rules, broader spans of control, and more flexible coordination. Organic designs foster adaptability and responsiveness to changing conditions (Sherehiy, Karwowski, & Layer, 2007).

By optimizing managerial spans of control, companies can significantly enhance productivity and organizational speed. Increasing the span of control—particularly for managers with few direct reports—reduces silos, improves information flow, and minimizes work duplication. This approach empowers employees, fosters autonomy, accelerates decision-making, and enhances professional development. Additionally, optimizing spans reduces hierarchical layers, bringing senior leaders closer to the front line and customers. Typically, this exercise can eliminate at least one layer, saving up to 10-15% managerial costs. Historically seen as cost-focused, optimizing spans also drives organizational efficiency, enabling investment in higher-value activities and promoting smarter, more efficient management (Acharya A et al, 2017).

Talent Management

Top talent today is increasingly mobile and unlikely to stay in an environment where top management is autocratic and dismissive of their ideas—especially when those in leadership are not well-versed in the rapidly evolving, complex, high-tech matters at hand. CEOs must recognize that talent is a key value creator and should be a priority. Agile

organizations, centered around empowered teams, are best equipped to consistently and swiftly align the right talent with the right strategic initiatives (Denning, 2018a).

In an agile organization, the traditional hierarchy is largely replaced by a flexible, scalable network of teams, while a stable top-level structure is maintained. Networks offer a balanced approach to organizing efforts, combining individual autonomy with collective coordination. Agile organizations are composed of empowered teams that operate with high levels of alignment, accountability, expertise, transparency, and collaboration. To ensure these teams can function effectively, a stable organizational ecosystem must be in place (Aghina et al., 2017). Empowered team members are granted more discretionary and decision-making powers, enabling them to transcend specialized roles, increase diversity within the team, and respond quickly and effectively to emerging challenges (Nerur et al., 2005).

Ultimately, if talent is the key determinant of business success, CEOs must prioritize it accordingly. As emphasized in *Talent Wins*, agile organizations that are built around empowered teams are best suited to continuously and nimbly align the right talent with the right strategic objectives (Denning, 2018a).

2.3.3) Change management of Agile Transformation
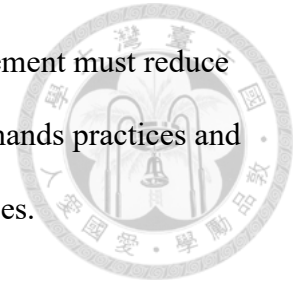
The agile transformation process is influenced by a range of distinct and multifaceted issues, barriers, and challenges, necessitating substantial effort and an extended implementation period. Moreover, effective collaboration and active engagement among employees, managers at all hierarchical levels, and stakeholders are critical to its success (Pawel, 2017).

Agile transformation can only be successful through a well-defined change management strategy that comprehensively addresses all critical factors, including employee, organizational structure, leadership team, processes, and technological advancements to ensure alignment (Gandomani, Zulzalil, Ghani, & Sultan, 2013). The agile transformation process is a complex, long and evolutionary one due to its nature of organizational changes requiring tailoring, localization and adoption at scale in a large-sized company (Pawel, 2017).

The transition to agile necessitates a deep understanding of the organizational values embedded within the existing culture. Organizational culture has frequently been recognized as a significant challenge in adopting agile values and principles. Therefore, organizations may benefit from conducting a thorough analysis of their current culture prior to initiating the transformation journey towards agile (Karvonen, 2018). According to Raharjo (2020), the most significant challenge lies in stakeholder management, which encompasses issues related to agile adoption, transition, and transformation.

According to Lawler III and Worley (2015), talent management is a crucial process in agile organizations, directly impacting their ability to adapt to environmental changes. In today's rapidly evolving and complex global environment, having the right talent has become a competitive necessity, yet it also presents significant challenges for organizations during times of change. A key issue is whether employees possess the necessary skills to support organizational transformation and new business activities. As business strategies evolve, so must the skills of the workforce. Organizations must implement talent management strategies that enable employees to update their skills and knowledge at the same pace as

these strategic changes. To achieve organizational agility, talent management must reduce resistance to change and avoid the high costs of shifting talent. This demands practices and systems that go beyond conventional best practices in developed countries.

The "experimental test and learn" and "incremental scale-up" approaches are essential for achieving sustainable organizational transformation. However, senior management's expectation for a faster timeline, favoring a "big bang" approach, often conflicts with the slower, bottom-up strategy. This misalignment presents a significant challenge in harmonizing both approaches during transformation efforts (Karvonen, 2018).

Denning (2018b) mentioned leaders must keep several important factors in mind to ensure success for agile transformation:

1. **Agile as a Paradigm Shift**

Agile is not just a methodology; it's a fundamental shift in management philosophy. It involves a new way of thinking, acting, and interacting with the world. Leaders should understand that Agile represents a distinct mindset and organizational culture. Observing Agile teams within their organization can help leaders grasp this shift.

2. **Encouraging Agile Leadership throughout the organization**

An Agile transformation cannot be solely top-down. It requires identifying and empowering change champions across all levels of the organization. A successful transition blends both

top-down guidance and bottom-up initiative. The role of senior leadership is to inspire and foster Agile leadership throughout the firm.

3. Focusing on the Firm's Purpose

Agile management aligns with the core purpose of any organization: delivering value to customers. Agile emphasizes innovation and outcomes that benefit customers, rather than focusing solely on internal metrics.

4. Prioritizing Agile Substance Over Language

Whether labeled "Agile" or branded with home-grown terms, the substance of Agile is what matters. Different companies use unique terminology, but the key is that the approach feels organic and fits the organization's culture.

5. Understanding the Challenge

Transforming from a traditional bureaucracy into a nimble Agile organization is a long-term effort. Success comes from constant reflection, learning from setbacks, and adapting along the way.

6. Deferring Structural Changes

Major organizational restructuring should come later in the transformation stages, after real Agile practices are well established and teams request changes to remove barriers.

7. Communicating Continuously

Leaders must embody Agile values through their words and actions, using effective communication to inspire others. Leadership storytelling plays a crucial role in motivating people to embrace change.

To effectively manage agile transformation, organizations must maintain consistent and transparent communication with both employees and leadership, ensuring a careful balance between the pressure for timely implementation and the adaptability of frontline staff. Moreover, the organizational culture must genuinely embody agile principles, rather than merely adopting its terminology, to facilitate meaningful and sustainable change.

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Chapter 3 Methodology

3.1) Research Data

The research data for this thesis comprises both primary interview data and secondary survey data. The primary data were obtained through qualitative, in-depth interviews with selected executives and staff of Pharma B Taiwan, aimed at gathering direct insights and perspectives. The secondary data were derived from an extensive review, analysis, and synthesis of all secondary sources referenced in the thesis, including the Pharma B Taiwan Employee Voice Survey (2023-2024) and the various sources cited in the Literature Review section.

3.2) Ethics and Limitations

B Pharma Taiwan's agile transformation began in October 2023, and thus, only preliminary outcomes are currently available. These short-term results offer limited insights into the overall improvement in efficiency and profitability, making it challenging to draw comprehensive comparisons at this early stage.

After discussing this thesis topic with the managing director of B Pharma Taiwan, the author decided to study it without disclosing the company name to avoid any potential business impact. This limitation might make it difficult to extend or follow up on the transformation result or study it further from this thesis.

All participants in the qualitative research, specifically those involved in the in-depth interviews, were selected through the author's personal network. Due to the reliance on personal connections, the study may face limitations, including a restricted number of interviewees and potential reluctance from participants to disclose personal information. These factors may affect the breadth and depth of the data collected, potentially leading to biases in the findings.

The author of this thesis, in the capacity of the interviewer, will explicitly inform all interviewees of the following interview conditions prior to their participation:

A. The interviews will be conducted solely for academic purposes, meaning that all information provided by the interviewees will be used exclusively for academic writing.

B. No significant personal information of the interviewees will be disclosed. However, certain details, such as job titles or relevant experiences, may be included in the thesis to ensure the credibility of the information.

C. Voice recordings during the interviews will only be made with the explicit consent of the interviewees. In cases where consent for recording is not granted, the author will document this reluctance as a remark.

D. The interview process for this study was conducted during September 2024, which means that all information shared by interviewees reflects the circumstances of that time.

References to terms such as "current flow" or "current issues" pertain exclusively to the situations occurring during this period.

Following the completion of the in-depth interviews, the author will independently analyze and interpret the results, drawing conclusions from the data collected during the interview process.
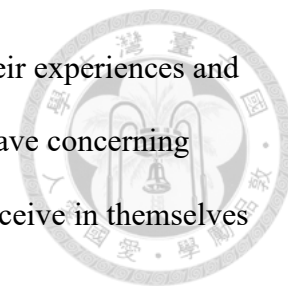
3.3) Research Tools

The research data in this thesis encompasses both primary qualitative data and secondary quantitative data. The primary data will be derived from qualitative, in-depth interviews with selected executives, managers, and frontline staff at B Pharma Taiwan, aimed at gathering their direct insights and perspectives. The in-depth interviews will be conducted in person or online meetings. Audio recordings will be made during the sessions with the interviewees' consent. The secondary data will be compiled through the analysis and synthesis of various secondary sources, including B Pharma Taiwan's Employee Voice Survey conducted in 2023, the Agile transformation survey conducted in 2024 and the internal reference data from B Pharma Taiwan.

3.4) Research Procedures

In-depth interviewing is a qualitative research technique that involves conducting intensive individual interviews with a small number of respondents to explore their perspectives on a particular idea, program, or situation (Carolyn Boyce, 2006). For example, we might ask

the company staff associated with the company transformation about their experiences and expectations related to the company transformation, the thoughts they have concerning program operations, processes, and outcomes, and any changes they perceive in themselves as a result of their involvement in the program.

3.5) Interviewees' demographic profiles

Table 2: The Profile of the 6 Interviewees
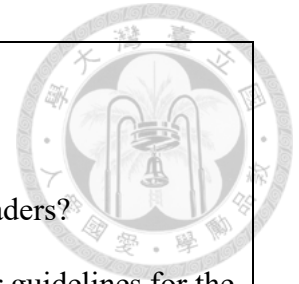
Position	Interview date	Interview Time	Years in B Pharma	Remarks
Head of Sales (Former BU Head)	18 Sep 2024	13:00 – 14:00 (60 mins)	5 years	
Head of Marketing (Former BU Head)	18 Sep 2024	15:00 – 16:00 (60 mins)	3 years	
HR Partner	18 Sep 2024	16:30 – 17:30 (60 mins)	15 years	
Country Medical Head	27 Sep 2024	14:20 – 15:20 (60 mins)	7 years	
Finance Head	23 Sep 2024	10:30 – 11:10 (40 mins)	27 years	
Administration Lead/ Executive Secretary of General Manager	24 Sep 2024	16:00 – 17:00 (60 mins)	7 years	
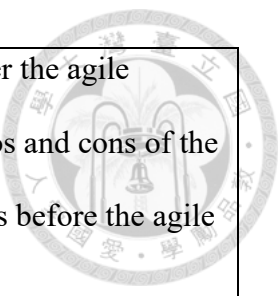
3.6) In-depth interview questions guideline

Questions	In-depth Interview Agenda
• No more than 10 open-ended key questions	**Session 1 Background** Question 1. Could you introduce your position and the responsibilities at B Pharma?

• Ask facts before opinion • Use Probes as needed	Question 2. What was B Pharma Taiwan's challenge back in 2023, which made you think the agile transformation needed to be initiated even before there was a mandatory order from the headquarters? What is the business objective you want to achieve through the agile transformation? What is the talent recruitment or retention objective you want to achieve through the agile transformation? **Session 2 Issues during Agile Transformation** Question 3. Who is in charge of the agile transformation, and what are the main parts of the transformation? Question 4. What is the new organization structure? What is different compared with the previous structure? How do you design the new organizational structure and new positions? What is the functional chapter? What is the customer team and product team? What's the difference between the traditional BU director and the product team lead? Can you explain the difference between traditional sales managers and current sales leaders? What is the role of an agile coach? What is the difference in terms of capability of product

	manager after agile transformation?
	What is the design team or mission team?
	How to increase the capability of VACC leaders?
	Question 5. Do you follow any principles or guidelines for the agile transformation? How do you communicate these principles or guidelines with your team to ensure everybody follows the guidance?
	Question 6. What processes or regulations have been changed during the agile transformation? How do you evaluate to keep them or to change them?
	What is the difference in meeting methods before and after the agile transformation?
	What is the difference for the financial forecast method before and after the agile transformation?
	Question 7. What is the primary purpose and expected outcome of the agile transformation? How do you measure these outcomes?
	Session 3 Outcome and Impact of the Transformation
	Question 8. What is the interim outcome now of the transformation in terms of organization efficiency and culture? How about business objectives?

	Question 9. What are the new challenges after the agile transformation? How do you evaluate the pros and cons of the agile transformation compared with the status before the agile transformation?
Closing Key Components: • Additional comments • Next steps • Thank you	Question 1: Is there anything more you would like to add? Inform: I will analyze the information you and others gave me and submit a draft report to the organization in the next 2-3 months. If you are interested, I will be happy to send you a copy to review at that time. Inform:　Along the way that I analyze the information, if there is any unclear information, any missing information, or if I need any further information, I might reach out to you again. However, I will inform you in advance. Inform:　Thank you so much for join the interview, have a nice day!

Source: Boyce, C., Neale, P. (2006). CONDUCTING IN-DEPTH INTERVIEWS: A Guide for Designing and Conducting In-Depth Interviews for Evaluation Input. Retrieved from New York Health Foundation: https://nyhealthfoundation.org/wp-content/uploads/2019/02/m_e_tool_series_indepth_interviews-1.pdf

Chapter 4 Case Study and Analysis

4.1) Issues of B Pharma and Background before Agile Transformation
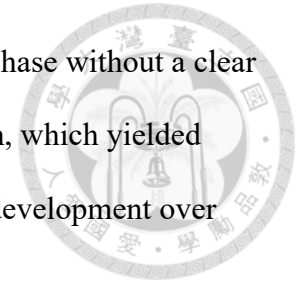
B Pharma Taiwan has undergone several transformations in the past years, yet certain issues persist across these changes. For instance, the hierarchical system and the recurring challenge of empowerment, highlighted in the Employee Survey as a major pain point, remain unresolved (B Pharma, Internal data, 2023). The hierarchy has led to excessive layers of approval, raising questions about the necessity of so many approvals in terms of efficiency and effectiveness. This issue stems not from the approvals themselves but from the organizational structure and system that perpetuate these inefficiencies.

In 2023, B Pharma faced some challenges.

> At that time, we were already considering the challenges posed by upcoming product patent cliffs and how these could potentially impact revenue. We were evaluating whether actions could be taken to either prevent or mitigate the expected decline in sales. Additionally, there was ongoing discussion about internal talent mobility, as organizational structures seemed to hinder resource and talent flow. With the appointment of a new CEO, questions arose regarding decision-making speed and whether greater empowerment should be delegated to those staffs closer to the customer base (Head of Sales, 2024).

The new CEO arrived and began promoting the concept of Agile in mid-2023, particularly focusing on areas like resource allocation. By October, the company started hearing more

about Agile more concretely, but it was still at a high-level conceptual phase without a clear execution plan. At that time, only Australia had initiated a pilot program, which yielded some results, and there were initial "guardrails" outlining the expected development over the next 2-3 years.

Even though there wasn't a global blueprint for implementation, employees thought it might be beneficial to start early.

> This would allow us to gain experience and operate with more flexibility, without being constrained by global guardrails. Taiwan was able to tailor the process to its specific needs. Following Australia, Taiwan became the second wave of implementation (Head of Marketing, 2024).

Through this transformation model, the company aims to achieve several key business objectives. As mentioned earlier, the leadership team has already foreseen the potential challenges associated with product patent expiration. Therefore, the leadership team seeks to implement new operational and promotional models that can mitigate the decline in sales or prevent significant revenue loss.

> This is one of our primary goals. The second objective concerns talent management. There has been extensive discussion on whether we can accelerate talent mobility within the organization and optimize resource utilization more efficiently. Achieving these goals is crucial for our success (Head of Sales, 2024).

4.1.1) Decision-making issues

Regarding the issue of empowerment, B Pharma noticed that in previous employee voice surveys, the question "Decisions are made at the lowest possible level in the organization" consistently received the lowest score (B Pharma, internal data, 2023). Despite numerous discussions, the company has yet to find an effective solution. Upon reflection, this challenge is largely tied to the organizational structure, which has hindered the ability to empower decision-making at lower levels.

The previous decision-making process was relatively cumbersome, requiring multiple hierarchical levels for market-related reporting. Typically, the process involved five layers: from the sales representative to the first-line sales manager, then the national sales manager, followed by the BU head, and finally the general manager. This multi-layered structure often resulted in a lengthy decision-making process, delaying the organization's ability to respond quickly to market changes. In the past, decisions tended to flow through one hierarchical level at a time, with the final decision resting with the BU head or General Manager. This often made it difficult for those at lower levels to bear accountability, as responsibility was continuously pushed upwards.

According to the Head of Sales (2024):

> In my view, a significant factor is that we are a German multinational company, which means there are established standards, procedures, and policies such as SOPs. Under such circumstances, many employees tend to wait for instructions or guidance from

above. This can be problematic, especially for frontline employees interacting with customers, as they often have to report upwards and wait a long time for a response.

The Administration Lead (2024) explains:

> For example, when signing contracts in the past, we had physical office spaces, and before the pandemic, everyone worked from their desks. I vividly recall that when I first joined, nearly all contracts were piled on my desk for signatures, particularly those that required approval from the GM. According to company policy, contracts below a certain threshold had to be approved by specific individuals, and in accordance with the Four Eyes Principle, two people were required to review them. This was a strong part of the company's operational culture

The "insurance mindset" can be analyzed from two perspectives. First, it stems from the complexity of company regulations. While the organization may have 257 regulations, only a select few, such as secretaries or key individuals, may have thoroughly reviewed them to understand the proper ways of working and how to avoid violations. Due to this complexity and lack of clarity, employees may prefer to submit everything for approval to ensure compliance. Second, from the perspective of employee mentality, there is a tendency to rely on higher-level approval, believing that the BUD or GM will assume responsibility in case of mistakes. "Consequently, employees feel that obtaining senior management approval is the safest option to mitigate personal accountability in case of errors or issues" (Administration Lead, 2024).

4.1.2) Hierarchical Structure Issues

"I believe that cross-functional alignment and discussions are generally quite good in the Taiwan Branch. However, at that time, we observed that with two separate business units, discussions around resource movement between the BUs tended to take longer" (Head of Marketing, 2024).
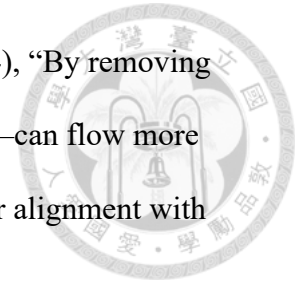
From a performance optimization perspective, there were ongoing discussions regarding the division into two business units at the time. This structure seemed to create boundaries within the organization, particularly in terms of resource and talent mobility. These constraints limited the flexibility in talent development and movement. The question arose as to whether there was an opportunity to break down these barriers and facilitate better internal mobility and development.

The Head of Marketing (2024) explains:

> Even if we remove the middle layers and retain the reporting line structure, the hierarchy still exists. In many cases, hierarchical barriers prevent true transparency. As mentioned earlier, when you're within a hierarchy, there's a tendency to protect your own resources, and other hierarchies will do the same. So, when a decision needs to be made across different functions, it often leads to conflict.

Regarding empowerment, another related issue stems from the boundaries set by hierarchical structures, which often limit the flow of resources. These resources are not only manpower but also financial investments. The rigid allocation of resources within

individual departments creates silos. According to the HR Partner (2024), "By removing these boundaries and silos, resources—whether manpower or financial—can flow more fluidly across the organization, allowing for greater flexibility and better alignment with overall goals."

4.1.3) Business focus issues

At the time (2023), the General Manager of Taiwan likely recognized the significant challenges the company would face due to the upcoming expiration of patents for several key products. For instance, the oncology portfolio, which holds a substantial market presence in Taiwan, began to experience increased competitive pressure in 2022.

As explained by the Financial Head (2024),

Unfortunately, our pipeline of new products has not been able to fill this gap quickly enough. From a financial perspective, it became clear that we needed to expedite a transformation to address these impending challenges and mitigate the impact on overall business performance.

In addition to the previous point, another key issue is the concept of value. In the past, discussions were heavily focused on KPIs, with objective setting revolving around KPI targets.

According to the HR Partner (2024),

I recall that when our Global CEO first discussed the agile transformation, he shared a storyline based on his prior experience. He explained that, in the past, we often focused primarily on achieving financial results and completing numerous KPIs. While we did

succeed in checking off all the KPIs on our to-do list, the critical question remained: did we actually achieve the desired outcomes? This raised significant concerns.

Now, the focus has shifted away from merely pursuing KPIs. Instead, we are emphasizing "Mission Focus" and "Outcome Focus", rather than simply hitting numerical targets or ticking off Key Performance Indicators (KPIs).

Now, the focus has shifted to asking ourselves whether the outcomes we achieve provide real value. This is a critical topic—whether the time and resources we invest ultimately generate value, and if this value aligns with our mission and vision. Every discussion now centers on whether our work contributes to value and outcomes, rather than simply chasing KPI achievements.

In addition, the concept of "Value" has become paramount. Previously, the discussions and objective setting were KPI-centered, but now employees constantly ask themselves whether the outcomes we achieve add value. The HR Partner (2024) points out,

This is a crucial topic—what value are we generating from the time and resources we invest? Are we aligned with our mission and vision? This has become a central question in every discussion, ensuring that we contribute to value and outcomes rather than just chasing KPIs.

4.1.4) Process and Operation Issue

"Before the transformation, I felt that there was a more siloed approach where everyone worked strictly within their own functions" (Administration Lead, 2024).

If an employee was responsible for a specific function, they would only focus on their own tasks without much cross-functional collaboration. This created a gap, particularly between the Enabling

Functions and the commercial teams. As a result, the administration team often had to clarify internal processes and then simplify them into terms that the commercial teams could understand. It required translating complex internal workflows into simpler language that was more relatable to the pharma colleagues. In this earlier state, teams worked more independently without much interaction across functions.

Another example of a complex process is Investigator-Initiated Research (IIR), which is inherently local, as it involves investigators from the respective regions. Managing the IIR process, along with aligning customer expectations, presents significant challenges due to the often-prolonged timelines involved. Typically, the process spans three to six months, leading to frustration among physicians. As noted by the Country Medical Director (2024), "Frequently, we hear physician comments like, 'It's taking so long, let's just not do it.' While some progress has been made, reducing the timeline to about two to three months in certain cases, it's still not a uniform experience, and the process remains far from seamless."

This scenario exemplifies inefficiency, as the timeline from proposal submission to research initiation consistently takes a minimum of three to six months. The question arises: does it truly need to take that long? The Country Medical Director (2024) contends,

> Personally, I don't believe so. From the customer's perspective, even a two to three-month wait already tests their patience. On a global scale, the involvement of numerous stakeholders, all eager to provide input, has made the process comprehensive but also excessively prolonged.

Another internal process, such as applying for new vehicles or managing fines, was traditionally handled by secretaries, who served as intermediaries between departments and the employees utilizing the vehicles. This approach, however, proved to be inefficient, as the secretaries were not the primary users and merely functioned as messengers, resulting in

delays and redundant communication. It became evident that a more efficient method would involve direct information exchange, allowing tasks to be handled more effectively and reducing unnecessary steps in the process.

In addition to process-related concerns, the current IT system has become outdated, requiring manual retrieval of reports and often necessitating repetitive work whenever data is needed. Many of these tasks are suitable for automation, and by simply implementing access permissions, individuals could retrieve the necessary information directly, thus reducing both time and effort. Although this long-standing inefficiency has been recognized for some time, there has been a lack of strong commitment to address the issue due to the system being deemed "sufficient." However, with the introduction of a new organizational structure and the expansion of managerial responsibilities, it is no longer practical to depend on supervisors for routine tasks such as report forwarding. This inefficiency has prompted an increasing recognition that systemic change is imperative.

4.2) The Analysis of Organization Structure Change

In the second half year of 2023, the entire Pharma leadership team participated in discussions without any specific individual being assigned particular responsibilities. "Reflecting on it now, I see that there was likely a draft in the mind of the General Manager, which was shared with the leadership team for discussion" (Head of Sales, 2024). The team then provided input from various perspectives. Essentially, the General Manager presented a draft, and the team collectively contributed ideas.

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There was a conscious effort to move away from the previous BU framework, which separated decision-making from actual operations. During these discussions, the Taiwan branch also had the advantage of learning from Australia's experience, where they had already begun implementing new models. Additionally, the leadership team observed similar concepts emerging in Europe, referred to as the "nucleus" model. This model moved away from traditional BU or function-based divisions, creating new operational modes. Whether referred to as "squads" or "nucleus," the idea was to break away from the traditional functional separation

The HR Partner (2024) explains,

> The agile operating model, particularly in each division, follows specific guidance. For the pharma division, this framework is globally defined, providing structured guidance within its model. The model includes several roles, such as the product team, the local Customer and Product Team, and the Capability Cluster. Additionally, it incorporates what is referred to as the licensing model and the concept of a community alongside the role of Financial Steering and Governance. This global framework offers a comprehensive guideline for implementation.

At the local level, the leadership team adapts this framework by learning from frontrunners (Figure 1).

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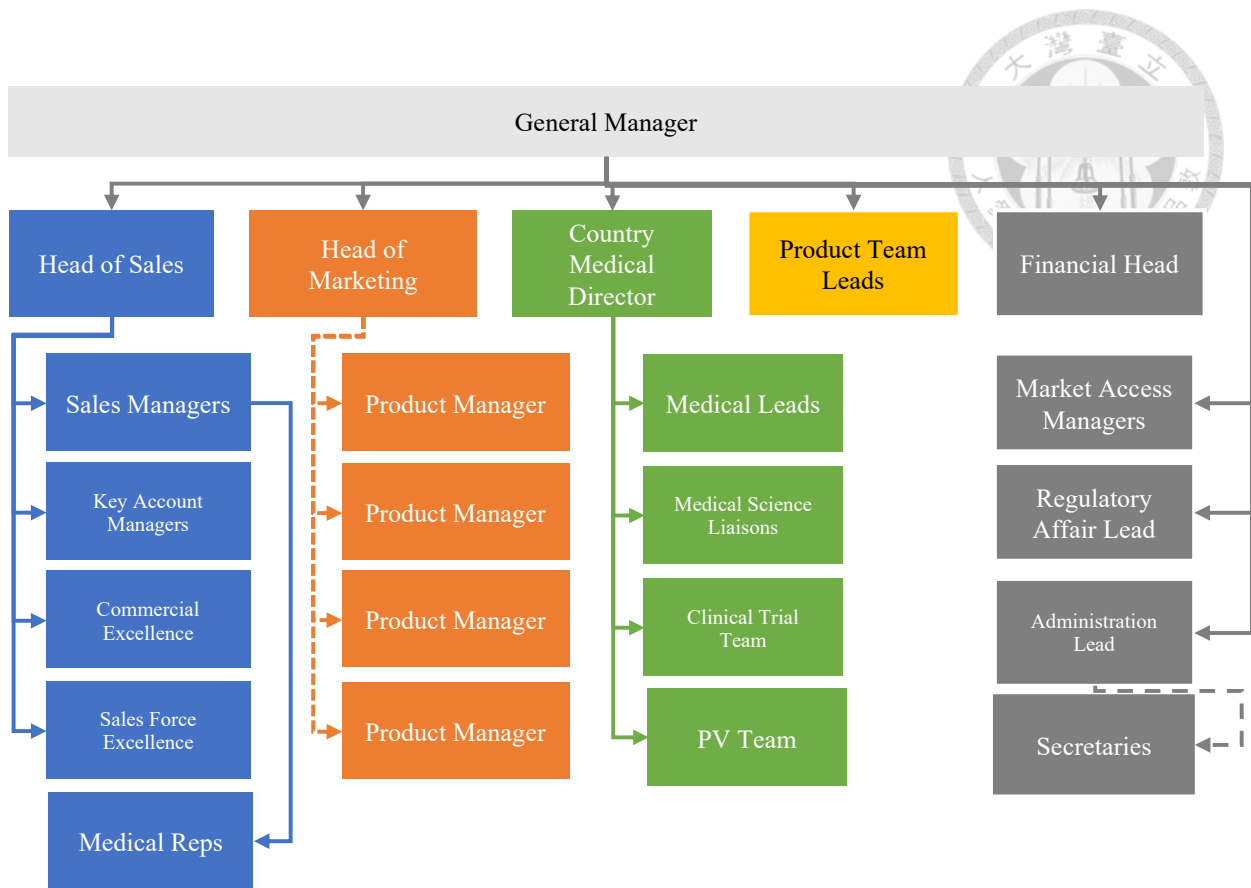
Figure 1. New Organization Structure of B Pharma Taiwan
Source: Illustrate by the author after interpreting interview data

In the APAC region, Australia was the pioneer, being the first to fully implement the agile

transformation on a full scope. The HR Partner (2024) remarks,

Last year (2023), we began by making small changes, but in 2024, we realized that

adjustments were necessary, particularly in terms of organizational structure and

leadership—specifically regarding the number of employees managed by each leader (`

of Coaching). Therefore, we've been further adapting and improving the framework

based on insights from the frontrunner.

Guidelines have also been implemented to ensure that while the company promotes empowerment and collaboration, the team does not become overly divergent. For example, when the leadership team emphasizes empowerment, some may interpret this as the freedom to create new teams or initiate projects, which could ultimately result in a dilution of focus or the misallocation of resources. To mitigate these risks and ensure that the transformation remains on track, the leadership team has established several guardrails, particularly in relation to financial and organizational structures.

One of the primary guardrails involves reducing organizational layers by increasing individual accountability. As employees become more empowered and responsible, the need for multiple layers of leadership diminishes, enabling the organization to operate more efficiently. This is a gradual process, allowing sufficient time to assess how the organizational structure can best adapt to this new approach.

Previously, supervisors typically managed smaller teams of about 6 to 10 representatives, allowing them to take a more hands-on approach. This "baby-sitting" style meant that Sales Managers often accompanied Medical Representatives on visits to physicians, providing immediate support and guidance in addressing market challenges. As a result, Sales Managers were frequently overwhelmed with operational tasks. However, with shifts in organizational structure, sales managers now expand their "Span of Coaching" and focus on team development. They can effectively manage larger teams of 15 to 20 representatives—nearly double the previous number. This shift in focus means Sales Managers have less time to directly intervene in daily issues.

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Another critical guardrail pertains to financial management, particularly concerning EBITDA. While the company encourages creativity and design thinking within teams, these initiatives must be carefully managed to prevent excessive expenditure. The objective is to optimize resource allocation and ensure alignment with the broader enterprise vision. As the Head of Marketing (2024) explained, "By doing so, we aim to improve EBITDA, which functions as one of the financial guardrails to prevent the transformation from causing undue financial strain." These guardrails are essential in keeping the organization on course, ensuring that the transformation remains aligned with both strategic and financial objectives.

When the leadership team designed the new organizational structure, their aim was to create both a "home" and a "workspace" within the organization. The "home" was conceived as a space for developing capabilities, represented by the functional chapter, while the "workspace"—whether within a Squad, Product Team, or Customer-Facing Team—was intended as the environment where those skills would be applied.

The Head of Marketing (2024) noted, "I'm uncertain about the current feedback; some employees appreciate the absence of hierarchy in the workspace, which allows for more open communication. However, others feel differently, preferring that the 'home' and 'workspace' be integrated rather than distinct entities."

4.2.1) Functional Chapter Structure

Capability Clusters serve as the functional foundation of the organizational model, often referred to as the organizational "home." These clusters provide specialized resources to Product and Customer Teams, ensuring that the appropriate capabilities—specifically

human resources—are allocated effectively across the organization. Their primary role is to ensure the timely availability of necessary competencies, thus promoting a seamless and efficient talent flow throughout the organization. Additionally, Capability Clusters play a crucial role in strategic workforce planning and employee development, aligning individual growth trajectories with broader organizational objectives and needs (B Pharma, Internal data on file, 2023).

The functional structure serves as the "home"—the reporting line—while the business side operates within product teams, making them distinct entities. The original intent behind this design was to eliminate hierarchy, thereby enabling more effective decision-making without hierarchical barriers. However, as the organization progressed, there remained a need for someone to assist in building the necessary capabilities, which led to the concept of having a "home." As the Head of Marketing (2024) explained, "However, as people moved forward, there was still a need for someone to help build the necessary capabilities, which led to the concept of having a 'home.'"

The Country Medical Director (2024) also elaborates on his primary role as a functional chapter leader:

As a functional head, one of my key responsibilities is ensuring that our team's capabilities align with the requirements of the new model and way of working. While our skills were not lacking in the past, this transformation calls for competencies that we have not frequently relied upon before.

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For instance, with the new product team structure, the company strongly promotes an "owner" mindset, where members of the medical team are encouraged to actively co-lead strategies and assume responsibilities that extend beyond their traditional scientific roles. This shift requires a greater focus on business acumen, which is often unfamiliar to those in medical positions.

The Country Medical Director (2024) emphasized,

> While terms like 'business acumen' are often mentioned for our medical colleagues, practical experience—such as interpreting P&L statements or developing business plans—is typically limited. Enhancing these skills is crucial for fostering more effective collaboration with commercial teams.

4.2.2) Commercial Operational Model - Product Team and Customer Team

In the current decision-making process, product-related decisions are primarily made within the "Product Team," which has been granted significant authority. This marks a shift from previous practices, where nearly all decisions required discussion by the pharmaceutical leadership team. This decentralization has facilitated quicker decision-making and more rapid adjustments.

The objective of the current operational model for Product Teams is to ensure broader participation in the decision-making process. The company aims for all members to actively engage and contribute, ensuring that no one is excluded. For example, the Product Team includes colleagues from various cross-functional roles (Figure 2), which guarantees that diverse perspectives are considered. Even minority opinions are incorporated into the process, resulting in a more inclusive and comprehensive decision-making approach.

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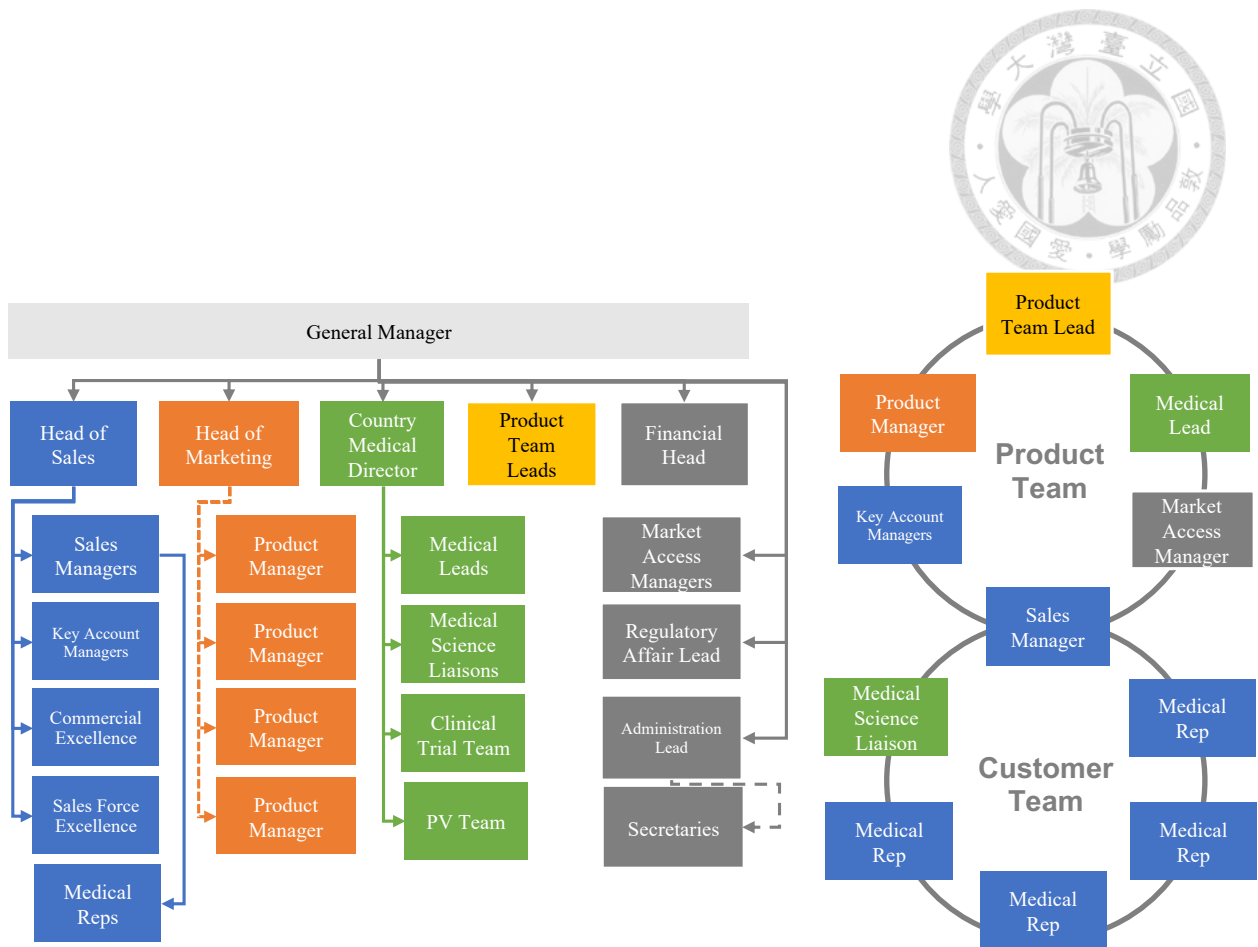
Figure 2. Product Team and Customer Team
Source: Illustrate by the author after interpreting interview data

Local Customer and Product Teams play a pivotal role in adapting strategies to meet specific market demands. These teams are tasked with managing local Profit & Loss (P&L) and executing go-to-market strategies effectively. By integrating localized insights into the broader global strategy, they ensure that products remain relevant and meet the needs of both patients and customers across diverse regions. Their agile organizational structure enables swift adjustments in both strategy and operations, optimizing resource allocation and enhancing the value delivered to customers across various geographies (B Pharma, internal data, 2023).
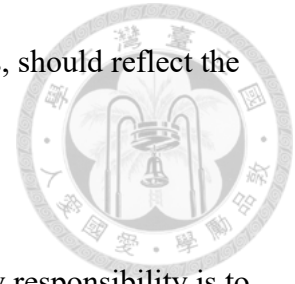
With the transition to the Product Team structure, the roles within the organization have undergone significant changes. The Product Team Lead no longer manages any direct reports, which positions them to take a more neutral approach when allocating resources. This structural adjustment ensures that decision-making is impartial, avoiding favoritism that might arise from managing specific individuals. The intention behind this shift is to empower the Product Team Lead to focus on driving business objectives from an unbiased perspective while fostering effective collaboration across different departments. This approach is expected to create a more cooperative and cohesive working environment.

One of the key differences between the former role of the "Business Unit Director" (BUD) and the current "Product Team Lead (PTL)" is the distribution of decision-making authority. Previously, most decisions were concentrated in the hands of the BUD. Today, however, decisions are no longer made solely by the Product Team Lead; rather, they are discussed and resolved through consensus within the product team. This shift has fostered a more collaborative approach, where decisions are based on majority agreement rather than awaiting approval or rejection from a single individual.

As a result, the decision-making process has become significantly faster, with fewer layers of approval compared to the previous model, where the BUD held central authority. The new team-based approach streamlines processes and enables more agile responses. The Head of Sales (2024) emphasized,

> In my view, given that there is no formal reporting line, the role primarily involves
>
> facilitating effective discussions. The goal is to ensure productive dialogue and reach

swift decisions, which, while not necessarily achieving full consensus, should reflect the majority opinion or decision.

The Administration Lead (2024) explained, "I believe the PTL's primary responsibility is to create a safe and inclusive environment where all voices are encouraged, including those who may be shy or hold minority opinions." Fostering full participation in discussions is essential. In the past, meetings often felt fragmented, with teams focusing solely on their respective areas of expertise—for instance, Medical would only engage during medical discussions, while Regulatory Affairs (RA) might become disengaged if the topic was unrelated to their work.

Within the Product Team, however, the role of the PTL is to cultivate an environment where everyone can contribute, regardless of the topic. Even when a subject falls outside an individual's direct expertise, their input can still offer valuable perspectives. This inclusivity hinges on setting an appropriate agenda, ensuring that all voices are invited to provide input, and that no one is excluded. Each member should be actively engaged, contributing to the collective progress of the team.

4.2.3) Enabling Functions

To effectively support business operations, several functional teams, known as enabling functions, must collaborate closely with commercial teams. This collaboration ensures that all tasks and processes are executed seamlessly and efficiently, fostering alignment across various departments to achieve business objectives.

Finance

There are three key areas within the broad scope of finance. The first is accounting, which primarily involves bookkeeping and maintaining financial records. The second area, currently the focus of the Finance Head (2024), emphasizes financial management and business steering, including responsibilities such as business case analysis. The third area pertains to audit and risk control. Together, these three components—accounting, financial management, and audit/risk control—form the core pillars of the finance domain.

In the realm of accounting, reports such as Profit and Investment (P&I) and Travel and Entertainment (T&E) monitoring were previously generated manually. This involved downloading data from various global and local systems and compiling it in Excel. Local finance teams were responsible for mapping and generating these reports before distributing them to stakeholders. However, due to manpower reductions in Taiwan, the APAC service center began to assume these tasks. Following a successful pilot project, other countries have also started utilizing the APAC service center for similar services. Looking ahead, improvements include transitioning from Excel-based reports to automated dashboards, providing real-time, visualized data, and integrating artificial intelligence (AI) for cost center allocation and predictive analytics, thereby further enhancing efficiency and accuracy.
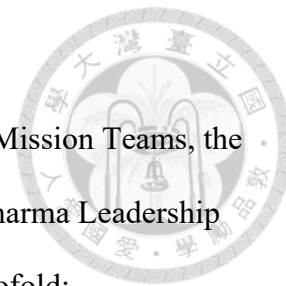
While artificial intelligence (AI) can predict financial figures for the next decade, deriving actionable insights from these projections still necessitates human interaction and collaboration with financial business partners. For instance, cooperation with marketing,

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product team leads, or commercial teams is essential to discuss the future trajectory of a product. The finance professional plays a key advisory role by analyzing financial data to forecast trends, evaluate potential investment opportunities, and identify risks. As the Finance Head (2024) emphasized, "Financial business partners will increasingly function as business consultants, focusing on providing insights and fostering partnerships with the business."

4.2.4) Design team and mission teams

The "Mission Team" consists of individuals who are assigned specific tasks in addition to their current roles. For instance, an employee might be assigned to a Global HR Mission Team responsible for transforming the incentive structure following a transformation. The defining characteristic of a Mission Team is its clear and assigned objective, which is focused on execution.

In contrast, a "Design Team" is formed when a challenge or opportunity is identified, but the solution is not yet clear. The Design Team is composed of volunteers who generate ideas on how to address the issue. For example, if an individual believes that improving feedback is essential to the process, they might create a Feedback Design Team to explore potential enhancements to feedback mechanisms. Once the design phase is completed and the implementation begins, the Design Team transitions into a Mission Team. As the Head of Marketing (2024) explained, "In my view, the distinction between the two primarily lies in their 'status' within the process—whether they are still in the design phase or have progressed to execution."

In terms of supporting and providing resources to the Design Teams or Mission Teams, the company ensures that once these teams are formed, a member of the "Pharma Leadership Team (PLT)" is assigned as a sponsor. The sponsor's primary role is twofold:

1. Preventing Duplication: Since teams are self-formed, the sponsor ensures that efforts are not duplicated, and that work across different teams is integrated to avoid redundant tasks.

2. Resource Allocation: The sponsor assesses whether the team needs additional resources. If necessary, the sponsor brings this issue to the PLT meetings for discussion to determine how resources can be allocated effectively.

This approach ensures both efficiency and support for the teams.

Take The Product-N Design Team as an example, it was initially established as part of the Oncology Product team, which focuses on prostate cancer patients, primarily men in their 60s and 70s. The design team's primary objective was to address a specific business issue: a significant number of patients were not adequately informed about their disease and were unsure how to select appropriate treatment options. The team aimed to extend their efforts beyond patient groups to increase individuals' ability to make informed decisions regarding their treatment options.

During the strategy development phase, the team received input from the Crop Science Division, which observed that many of their clients—farmers—were older men within the same age demographic. This unexpected overlap prompted a collaboration between the two

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divisions, marking an unprecedented partnership. Through this collaboration, the team expanded their "Disease Awareness" initiatives to reach these older farmers. The Crop Science Division, experienced in providing agricultural training, embraced this new focus on health awareness, particularly disease-related topics, and appreciated the fresh approach.

The interactions with the farmers proved both engaging and insightful. Initially, the team was concerned that the farmers might be less informed or hesitant to ask questions. However, they were pleasantly surprised by the farmers' active participation. The farmers eagerly asked questions and promptly scheduled follow-up appointments with doctors, demonstrating a proactive attitude that exceeded expectations. Throughout the process, the team also collaborated with various divisions to secure internal resources for activities such as interactive events, sponsorships, and external communications.

4.3) The Analysis of Leadership, Agile Coach and Employee Competency

4.3.1) Leadership

In traditional leadership, much of the focus was on control, where decisions were based on the leader's viewpoint, and control was a natural extension of their leadership. This control often followed established patterns, repeatedly applying the same approaches. However, the company now expects leaders, particularly in the context of the VACC model, to shift from control-based leadership to a more collaborative and visionary approach. Rather than focusing on control, VACC leaders are tasked with leading virtual teams to deliver beneficial outcomes for all stakeholders.

The role of a VACC leader requires them to be forward-thinking and visionary, focusing not just on the present but on future outcomes. This marks a significant change from past leadership models (Table 3). Furthermore, VACC leaders are expected to embrace a mission-focused and outcome-oriented mindset, ensuring they create value while also identifying and removing bottlenecks. The "Architect" aspect of leadership involves not only generating value but also removing non-value-added activities, and prioritizing efforts and resources on value creation. A key responsibility of these leaders is to make decisive, sometimes difficult, decisions to halt non-productive activities.

Table 3: VACC leadership capabilities.

	From	To
Visionary	Focused solely on financial results	Focusing on a mission to deliver beneficial outcomes for all
Architect	Captured existing value by embedding resources and expertise in large established businesses and functions	Co-creating new value by flowing resources and expertise to the best granular product and customer opportunities
Catalyst	Worked in a siloed, multilayered hierarchy of individuals	Collaborating in a flat network of autonomous entrepreneurial teams
Coach	Detailed planning and control	Executing, exploring and learning in rapid cycles

Source: B Pharma (2023) Internal Data on file.

In addition to being visionary and architecting solutions, the VACC leader must also serve as a catalyst, facilitating the breakdown of silos, elimination of boundaries, and removal of bottlenecks to enhance overall efficiency. Silos and boundaries have long been obstacles in

hierarchical organizations, and the goal is to ensure that future VACC leaders possess the capabilities to overcome these challenges.
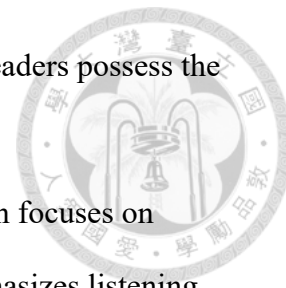
The "Coach" role is equally important. While traditional leadership often focuses on persuading teams to follow a leader's directives, modern coaching emphasizes listening, asking probing questions, and encouraging team members to share ideas and challenge conventional thinking. The objective is to move away from a top-down decision-making approach and instead cultivate a co-creative environment in which team members collaboratively contribute to developing solutions.

As the HR Partner (2024) suggests, "This shift requires both a change in mindset and behavior, and it is fundamental to the ongoing transformation toward a more agile and effective leadership model."

Business Unit Head and Product Team Lead

In the previous organizational structure, the BU head had control over both manpower and resources, along with hierarchical authority. This often meant the BU head had a dominating presence, as they had direct control over most aspects of the business unit. People within the team felt compelled to follow their lead because everything fell under their domain.

However, in the current organizational structure, responsibilities are more dispersed. For instance, personnel management now falls under the chapter head, while resource management is assigned to the product team lead. As a result, the role of the leader is less about dominance and more about empowering others. This shift allows team members

more autonomy, fostering an environment where they can contribute more freely without feeling restricted by hierarchical power.
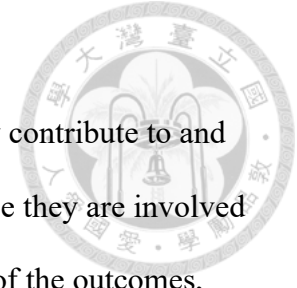
At the same time, the role of the product team lead becomes more challenging. They are required to lead without the traditional authority, relying more on influence and collaboration. This makes leadership even more critical in this new structure, as the product team lead must demonstrate leadership through influence rather than authority. The skills required in this new structure emphasize collaboration and empowerment, which contrasts with the hierarchical leadership style of the past.

Sales Manager

There is a significant distinction between the current role of the "Sales Manager" and the former "First-Line Sales Manager" in terms of job nature and required skills. According to the Head of Sales (2024),

> One key observation is that in the current project teams, as I mentioned earlier, there is a noticeable willingness among Sales Managers to contribute ideas and address potential challenges or benefits.

Today's Sales Managers, in addition to leading their teams, are more inclined to offer valuable insights and challenge ideas related to the products they oversee. This represents a departure from the previous mindset, where Sales Managers were primarily focused on executing strategies—essentially "leading the troops" and carrying out predefined plans. In the past, if outcomes were unfavorable, the typical response was to attribute the issue to marketing strategies.

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Under the current operational model, however, Sales Managers not only contribute to and participate in discussions but also engage actively in the market. Because they are involved in the decision-making process, they are more likely to take ownership of the outcomes, even if the results fall short of initial expectations. Rather than attributing failures to marketing or campaign issues, they now embrace a sense of shared responsibility, fostering a stronger sense of belonging to a unified team.

In terms of capabilities, there has been a clear shift in the role of today's Sales Leaders compared to former Sales Managers. Previously, Sales Managers largely followed the directives of the National Sales Manager (NSM), excelling in execution but lacking initiative in strategic thinking. Today, however, Sales Managers are expected to think strategically, generate ideas, and provide independent suggestions. This shift promotes greater inclusivity and values diverse perspectives. In the current product team environment, discussions are more collaborative, encouraging Sales Managers to actively engage, share their views, and appreciate others' perspectives, resulting in increased adaptability.
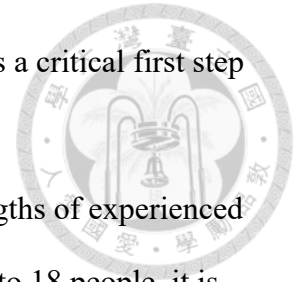
In the context of the new working model, the expectations for Sales Managers have significantly evolved. First and foremost, they are required to manage their teams efficiently by clearly defining priorities and identifying which team members need special attention within the upcoming 90 days. This process involves thoroughly diagnosing and

understanding the specific needs of their team members, which serves as a critical first step in effective team management.

Secondly, Sales Managers are expected to effectively leverage the strengths of experienced individuals within their teams. Given the responsibility of managing 15 to 18 people, it is unrealistic to manage every aspect independently. Attempting to do so would lead to inefficiency and hinder the achievement of desired outcomes. Therefore, strategically utilizing the strengths of key team members becomes essential to overall team performance.

Thirdly, while delegating responsibilities and empowering team members, it is crucial to maintain regular check-ins to monitor progress and assess work status. Sales Managers must balance providing autonomy with ensuring consistent communication. In the past, new team members might have been contacted every two to three days, but this frequency may no longer be practical. Sales Managers must now determine appropriate intervals for check-ins, tailored to the specific needs of individual team members.

Additionally, it is important that Sales Managers themselves are regularly checked in on to evaluate their alignment with organizational goals and their own progress. Engagement with team members should be dynamic and multifaceted, extending beyond traditional methods such as field visits. Coaching should occur in a variety of settings, whether during events, after meetings, or through informal interactions, providing timely feedback and support. This flexible approach to coaching and engagement ensures that Sales Managers are more responsive and adaptive to the evolving needs of their teams.

Product Managers

From the perspective of Product Managers (PMs), their core responsibilities remain largely unchanged—they continue to oversee product ownership and coordinate with various cross-functional teams. In terms of business acumen and customer-related skills, there are no significant shifts. However, a notable change in the new structure is the absence of hierarchical reporting lines. Previously, if conflicts arose—such as the common tension between sales and marketing—issues could be escalated through the chain of command, from Marketing Managers to the Business Unit Director (BUD) and beyond. Now, without such hierarchical mechanisms, PMs are required to develop stronger conflict management skills within their product teams, placing a greater emphasis on stakeholder management and necessitating enhanced capabilities in this area.

Moreover, the transformation encourages a distributed leadership model, where leadership is not confined to those with formal titles. It has become increasingly important for PMs to practice "leading without authority," which involves asking insightful questions to guide the team in the right direction rather than simply issuing directives. As the Head of Marketing (2024) emphasizes, "The ability to lead in this way, even without formal authority, is a crucial skill in the current organizational structure. Therefore, compared to the previous model, PMs today must exhibit more advanced leadership qualities, communication skills, and conflict management abilities."
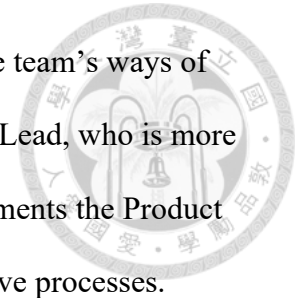
Another critical aspect is resource management. The goal is to optimize resource flow across the organization. Traditionally, managers sought to accumulate as many resources as possible for their respective brands or departments. However, if they failed to meet sales targets, the company's overall performance would suffer, leading to reduced resource

availability in the subsequent year. Thus, PMs must now adopt an "enterprise-level" mindset, viewing resource management from a broader, organizational perspective. The Head of Marketing (2024) remarks, "If they remain too focused on their individual brands and fail to contribute to the company's overall success, it could ultimately lead to failure. This shift toward enterprise thinking is essential in the modern organizational structure."

4.3.2) Agile Coach

When an organization undergoes a transformation, most individuals may be unfamiliar with the process. In this context, the Agile Coach plays a role similar to that of a facilitator by adopting a neutral stance and overseeing the operational dynamics of the product team. The Agile Coach must elevate their perspective beyond their original function. For instance, if someone from Marketing becomes an Agile Coach, they need to focus on evaluating whether the entire product team's meetings are conducted with full transparency, whether every member is held accountable for their respective projects (usually within a 90-day timeframe), and whether there is an open space for all members to speak up and contribute, ensuring that everyone is listening rather than allowing only a few voices to dominate. The Agile Coach is responsible for observing these dynamics and coaching the team accordingly. However, a common concern arises: would there be a conflict between the Product Team Lead and the Agile Coach, since both are involved in similar processes? While it is true that the Product Team Lead also engages in some of these activities, their primary focus tends to be more business-oriented, as they are the leader responsible for driving business results. As such, they are often more immersed in business discussions and decision-making.

Given this focus, the Agile Coach steps in to observe and ensure that the team's ways of working are optimized, which may be overlooked by the Product Team Lead, who is more deeply involved in business operations. The Agile Coach's role complements the Product Team Lead by offering an external perspective on the team's collaborative processes.

The role of the Agile Coach initially emerged through a nomination process, as some of the early product teams adhered to a more traditional approach by nominating individuals for the position. As the Head of Marketing (2024) explains, "However, it soon became apparent that not everyone was enthusiastic about serving as an Agile Coach, prompting a shift towards a voluntary model." Over time, some product teams adopted a rotational system, assigning the role quarterly, while others, where the Agile Coach was particularly effective, opted to retain the same individual. This was deemed acceptable, as it became clear that a genuine passion for the role was essential. Without it, the Agile Coach would be less effective in supporting their product team.

The Agile Coach role eventually transitioned into a self-nomination process, allowing individuals who were motivated to take on the role to step forward. In terms of training, during the early stages of the agile transformation, Agile Coaches were encouraged to observe various product teams, including the Pharma Leadership Team, to gain insights into different working styles. Since there was no definitive "right" or "wrong" way to approach agile practices, observing diverse methods enabled Agile Coaches to identify what was effective and what was not.

Additionally, bi-monthly sharing sessions were introduced, providing a platform for Agile

Coaches to exchange best practices and discuss challenges encountered within their product

teams. These sessions also offered opportunities for Agile Coaches to seek guidance and

support from their peers. This collaborative approach was designed to enhance the

capabilities of Agile Coaches. During the early stages of the transformation, when the

organization was still adapting to the new model, there was a strong emphasis on agile

transformation messaging.

The Head of Marketing (2024) elaborates, "For instance, there was an 'Agile

Transformation in a Box' initiative, in which a box containing information and updates was

distributed to Agile Coaches on a weekly or monthly basis to help them digest and

implement transformation messages."

Looking ahead, the role of Agile Coach is not intended to be permanent. Ideally, the goal is

for all members of the organization to eventually adopt an agile mindset and take on the

responsibilities traditionally held by the Agile Coach. As individuals gain a deeper

understanding of successful transformation, they will naturally contribute and provide

feedback proactively. At this point, the specific role of the Agile Coach would no longer be

necessary, as all team members would be aligned with agile principles and practices.

4.3.3) Employee Competency

According to the Country Medical Director (2024),

 Indeed, during an agile transformation, it is crucial to have an "all hands on deck"

 approach. With teams becoming leaner, a key factor for success lies in the maturity of
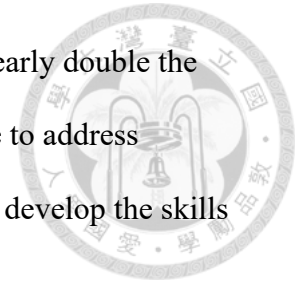
our colleagues—both in their professional competencies and psychological resilience. Without this maturity, it is challenging for the system to function effectively, as it demands that individuals step up and take greater ownership. Leaders, in particular, must be willing to relinquish control to empower their teams. However, one of the challenges in this process is the cultural context, especially in Asia, where hierarchical structures are deeply ingrained.

While the agile framework promotes reduced hierarchy and greater team autonomy, for many individuals in Asian cultures, the presence of hierarchy can offer a sense of security. This cultural dynamic complicates the process of empowerment, as some employees may feel more comfortable operating within traditional structures. It raises important considerations about how to balance the need for empowerment with the cultural expectations of hierarchy

Historically, Medical Representatives (MRs), as the entry-level role in pharmaceutical companies, often lacked initiative and heavily relied on their supervisors. Sales Managers, overseeing teams of six to ten representatives, typically adopted a hands-on approach, frequently accompanying MRs on physician visits and directly assisting with market challenges. This model resulted in Sales Managers being deeply involved in daily operations, leaving little time for strategic planning or development. However, the current approach shifts more responsibility to MRs, who are now expected to demonstrate greater accountability and proactivity.

The Head of Sales points out,

Sales Managers today focus more on team development, managing nearly double the previous number of representatives, typically 15 to 20. With less time to address operational or customer-related issues, MRs must now independently develop the skills necessary to navigate challenges.

Whereas Sales Managers previously coordinated resource alignment and joint activities, MRs are now expected to autonomously identify opportunities, seek collaborations, and propose solutions. This shift represents a significant change, requiring MRs to exhibit increased initiative and competence.

In line with the company's goal to delegate more responsibility to employees who are closer to the customer, Medical Representatives play a crucial role due to their daily customer interactions. Their competencies must significantly improve compared to the past, when they primarily waited for guidance and direction. The Head of Sales (2024) elaborates, the future role of Medical Reps within the company must involve being proactive. They need to independently voice their thoughts—whether correct or not—and actively raise market concerns while suggesting ways to improve customer interactions. This proactivity is essential.

Furthermore, Medical Representatives must develop the ability to seek resources. They can no longer wait for their Sales Managers or others to guide them; instead, they must express their ideas, even if not all are accepted, and proactively search for resources or seek assistance. Building the capability to find resources and develop networks is crucial for their success.

Lastly, on the functional side, Medical Representatives should take ownership of their personal development. Rather than waiting for the company to identify their weaknesses and provide support, they need to recognize their own development needs and actively pursue resources for improvement.

However, recent employee surveys (B Pharma, 2024, Internal data) indicate lingering concerns regarding leadership effectiveness. While leadership was rated 4.0 in the previous survey (B Pharma, 2023, Internal data), showing relatively strong engagement, recent results show some employees still question whether leaders are effectively guiding teams and removing roadblocks, reflected in a slightly lower score of 3.89. This suggests that, although leadership is generally well-regarded, there is room for improvement in providing more consistent support and guidance to employees.

4.4) The Analysis of Planning and Processes Change

4.4.1) Budget planning and Sales Forecast process Change

Investment Budget Planning

In traditional budgeting, once an annual budget is allocated, it can be challenging to reallocate resources mid-year. For example, if an opportunity arises for product A and it seems that product B is on a downward trend, convincing the team responsible for product B to transfer their funds to A can be difficult. This is because the team for B might argue that they have already committed to their annual plan based on the initial budget allocation, and shifting resources mid-year can be seen as a disruption to their pre-set goals and commitments.

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Following the agile transformation, while budgets continue to be allocated on an annual basis to meet global requirements, rolling forecasts conducted quarterly allow for more flexible resource adjustments. For instance, if Product A shows strong growth potential during these reviews, additional P&I resources may be allocated to support it. However, not all products will receive more resources despite increased revenue. For example, Product B, which already holds a dominant market share, may not benefit significantly from additional investment. Resource allocation is thus driven by market demand and strategic positioning rather than simply adhering to annual budget figures. The same principle applies to manpower allocation. For example, the team for Product A was increased from 10 to 12 people after identifying future growth opportunities, with one staff member transferred from Product B. This reflects a dynamic approach to adjusting both financial and human resources in response to evolving market conditions.

Furthermore, "Beyond Budgeting" represents a shift from traditional budgeting methods, where a fixed amount of money is allocated for the entire year. Instead of providing a predetermined sum, business units or brand owners propose the resources they need based on the specific requirements of their operations. This approach treats the brand owner as the business owner responsible for running the business efficiently. The proposals are then evaluated and prioritized based on the overall business strategy and needs. Every 90 days, the performance of these initiatives is reviewed to assess whether the desired outcomes have been achieved. This process allows for ongoing adjustments, either increasing

investment in successful initiatives or reallocating resources where results have not met

expectations, ensuring greater flexibility and efficiency.

In the 2025 budget planning, the B Pharma headquarters directive emphasizes using a 90-

day Learning Cycle Forecast, essentially functioning as a pulse check. This approach

allows for the continuous monitoring of whether the targets set within each 90-day period

are being met and to assess how far off the current outcomes are from the originally set

goals. The Head of Finance (2024) elaborates,

> Previously, we established a 2025 ambition sales forecast, but there was no immediate
>
> call for cost allocation due to the integration of AI-based prediction systems. The AI
>
> system already provides predictions within the global framework, although Global has
>
> not officially announced these figures. I have already seen these predictions, and Global
>
> has advised not to input any data into their system, as AI is already handling the
>
> forecasting.

This trend reflects B Pharma's Agile transformation and aligns with the broader global

trend toward incorporating AI in financial forecasting and operations, particularly in the

finance sector.

Sales Forecast

Historically, the sales forecast process for financial planning involved submitting a mid-

term projection for the following three years, typically prepared during the preceding year.

By July or August, the B Pharma regional management team would review these forecasts

and subsequently issue a top-down target, which was often higher than the initial forecast.

For example, if the mid-term forecast projected $80, the final target might be adjusted to

$100. When such a discrepancy arose—where the mid-term forecast was $80 but the

regional target was set at $100 —discussions would typically take place among the BUDs,

GM, and the Market Access team.

These meetings were designed to analyze how the $20 gap between the $80 forecast and

the $100 target could be bridged (Figure 3). The discussions focused on identifying specific

brands with the potential to outperform and generate the additional revenue required to

meet the top-down target.
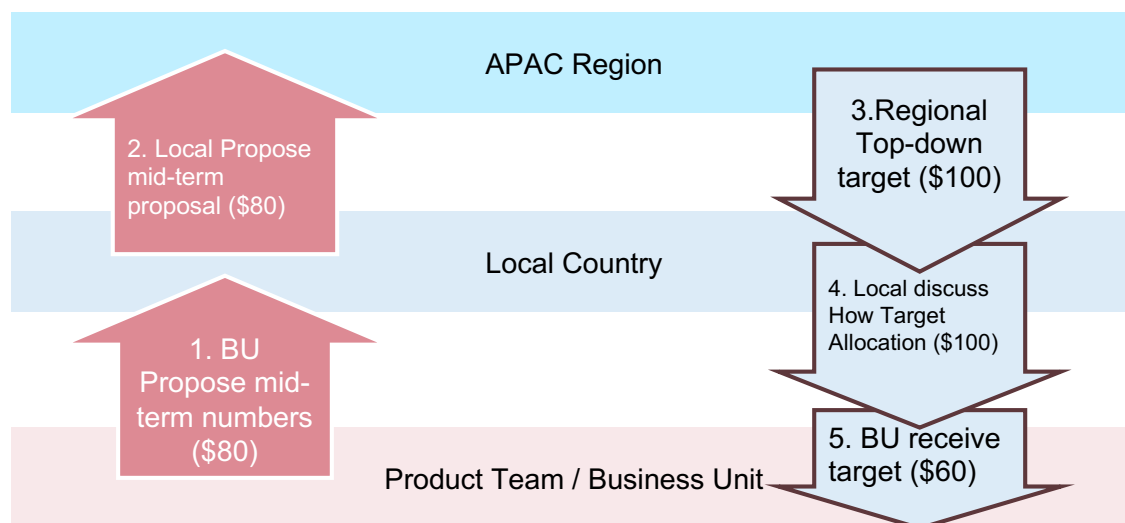
Figure 3. Process of Traditional Financial Planning
Source: Illustrate by the author after interpreting interview data

However, after the agile transformation, the process shifted significantly. Now, with an

emphasis on empowerment and encouraging ambition, local teams are asked to propose

their own sales targets for 2025 without receiving pre-set targets from regional

management. This shift represents one of the most substantial changes in B Pharma over

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the past decade, where autonomy in setting performance targets is genuinely granted to local teams. (Figure 4)
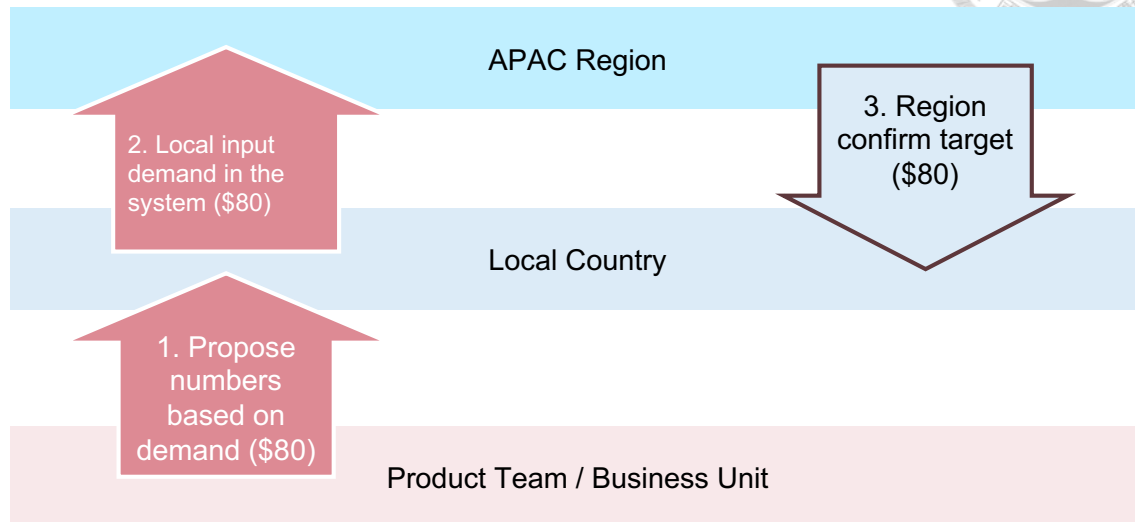
Figure 4. Process of Financial Planning after Agile Transformation
Source: Illustrate by the author after interpreting interview data

Demand Planning

In the past, demand planning and financial planning were separate processes that did not communicate with each other, leading to inefficiencies. Ideally, demand planning, which forecasts the market demand for the next 36 months, should align with financial planning. For established products, demand and financial forecasts should match, ensuring a streamlined process (Figure 4). However, for newly launched products like Product A, demand planning might estimate higher quantities due to uncertainties, while financial planning could be more conservative. By aligning these processes, the organization can eliminate discrepancies, optimize manpower, and enhance efficiency. The system should automatically integrate and flow data between the two, ensuring consistency and improved operations.

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4.4.2) Strategy Planning Method Change

Planning for the unpredictable may appear paradoxical, yet many organizations recognize

that in times of turbulence, the ability to adapt and respond is essential for sustaining

growth. In today's globalized and free-market environment, meeting customer expectations

is fundamental to profitability (Glenn & Stahl, 2009).

In alignment with its financial planning timeline, B Pharma establishes its strategy on an

annual basis, revisiting it every 90 days to reassess and refine actionable tasks. This

approach ensures that all initiatives remain effective and can be adapted to meet evolving

market demands.

Daily tasks are managed through the team's KANBAN system (Figure 7), where previously

assigned tasks are regularly updated. This system allows the team to track progress, identify

bottlenecks that require assistance, and share successes or learnings. The tasks listed on the

KANBAN board are collaboratively developed by the product team, based on shared goals.

These goals are aligned with the brand's purpose, vision, and core values (DNA), which are

broken down into various timelines: 18 months, 12 months, 6 months, and 90 days (Figure

5).

At each milestone, specific actions required to achieve the ultimate objective are defined.

During weekly check-ins, team members either volunteer or are assigned to provide

progress updates, ensuring alignment and contribution toward the collective goal. This

structured approach maintains clarity regarding responsibilities and ensures the team stays

on track with its objectives.

Figure 5. Steps to Planning Long-term, short-term outcomes and Next 90-days initiatives
Source: B Pharma (2023) Internal Data on file.

Additionally, the implementation of the 90-day retrospective review represents a significant

improvement over previous models. The Administration Lead (2024) explains,

This reflective practice, which was seldom utilized in the past, enables the team to

regularly review and adjust based on collective feedback. I find this approach

particularly effective, as it promotes inclusivity and fosters a decision-making process

that is owned by the entire team, rather than a select few supervisors. This method

encourages collaboration and leads to more favorable outcomes for the team.

4.4.3) Approval Process Change

With respect to local regulations and approval processes, previous systems were heavily aligned with global policies and guidelines. However, a significant shift has occurred, particularly in foundational principles, which now emphasize a concept-based "code of conduct" approach. This change offers local entities greater flexibility to develop processes tailored to their unique operational needs, provided they adhere to the core code of conduct. For example, while companies in Taiwan and other countries must still comply with local laws and governance requirements, they now have more autonomy in shaping processes that align with their specific needs.

A key challenge organizations face is the need to re-evaluate existing processes to assess whether certain approval steps remain necessary. The HR Partner (2024) provides an example, explaining that the HR Leave Application process previously required managerial approval for all types of leave. However, after a thorough review, it was determined that only specific categories, such as long-term sick leave, necessitate managerial approval. Other types of leave, based on employee eligibility, can be managed without managerial involvement, thereby enhancing employee empowerment and improving operational efficiency.

In the past, business decision-making processes involved multiple layers of approval, with final authority typically residing with the BUD or GM. This hierarchical structure often placed undue accountability on upper management, making it difficult for lower-level employees to take ownership of decisions.

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Two primary factors contributed to the resistance in shifting accountability. First, the hierarchical structure concentrated power at higher levels, leading managers to retain authority rather than delegate it. Second, lower-level employees were unaccustomed to accepting the risks inherent in decision-making. As a result, even minor decisions were unnecessarily escalated, which slowed the overall decision-making process.

According to the Head of Marketing (2024), under the current organizational framework, the Sales Head no longer directly oversees sales, and escalating decisions through multiple layers has become less valuable. Decision-making authority now typically resides within the Product Team, requiring individuals to take greater ownership of their accountability. Without the safety net of multiple hierarchical layers, product team members must make collective decisions. This represents a significant shift from pre-2023 practices, where decisions were escalated upward, level by level.

Following the Agile Transformation, significant progress has been made in streamlining the approval process. The Administration Lead (2024) explains,

> For example, we sought to empower employees closer to the market. In the role of Product Team Lead (PTL), contracts below NT$10 million can now be approved directly by the PTL, with only contracts exceeding that amount requiring approval from the General Manager (GM). This represents substantial progress, as previously, contracts of any size had to pass through multiple layers of review.

In the past, employees often forwarded all contracts for approval, regardless of the amount, to mitigate potential risks, leading to unnecessary delays. However, under the current Agile

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framework, the company emphasizes "ownership," meaning every employee is regarded as a stakeholder in the company. Each individual is expected to take full responsibility for their work.

The Administration Lead (2024) elaborates,

> For example, when signing a contract, you are the person most familiar with the purpose of the contract, its deliverables, and the defined milestones. With full empowerment comes the responsibility for accountability. Our employees must understand that while they are granted the authority to make decisions, they are equally responsible for ensuring those decisions align with the company's goals and commitments.

The new approach reflects a meaningful change, significantly improving efficiency in the approval process.

The Country Medical Director (2024) further elaborates from a governance perspective, stating,

> The Legal Medical Review (LMR) process plays a critical role in ensuring that external communications, particularly those shared with healthcare professionals, are accurate, balanced, and compliant with industry standards. The primary objective of the LMR is to provide high-quality, reliable information that enables doctors to make well-informed decisions regarding patient care. It is essential to strike a balance between quality and efficiency, ensuring that the content is both timely and precise.

However, the LMR process can sometimes be time-consuming, with efficiency varying across different countries. In Taiwan, for example, efforts are underway to streamline this process by identifying steps that can be shortened or eliminated without increasing risk.

One area of exploration involves determining whether certain low-risk materials, such as those submitted by Medical Science Liaisons (MSLs), can bypass a full LMR review, while more high-risk content continues to undergo thorough scrutiny. Additionally, discussions are ongoing regarding whether Regulatory Affairs must be involved in every step of the process.
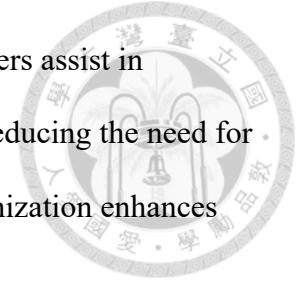
In the B Pharma Global, there is also a movement toward refining the LMR process, with new guidelines expected soon. A significant potential change may involve removing the requirement to review advisory board slides, as these materials are often developed by experts who may not require the same level of oversight. This reflects a broader shift toward a more efficient, risk-based approach to content review.

Another critical consideration is how to balance decision efficiency with risk management. With the expansion of the Span of Control, particularly for first-line managers who may oversee 15 to 20 team members, administrative tasks, such as approvals, can become overwhelming. The Administration Lead (2024) explains,

> As a result, we are re-evaluating the necessity of involving supervisors in every approval process. Our aim is to empower employees by trusting their capabilities and sense of accountability. For example, in the Concur system, after reviewing historical patterns and identifying no significant issues, we implemented a "random approval" system.

In this approach, if 200 Concur reports are submitted in a given month, only 10% (approximately 20 reports) from higher-risk activities—such as event-related expenses—will require managerial approval, while the remaining reports will be auto-approved. This system acknowledges that employees are generally aware of their expenses, and in higher-

risk cases, pre-approval is already required. Furthermore, external partners assist in verifying supporting documents during the settlement process, further reducing the need for repetitive managerial reviews. By simplifying these processes, the organization enhances efficiency without compromising effective risk management.

4.5) The Analysis of the Cultural Change

The question remains whether this transformation alone can truly achieve empowerment, a critical point of inquiry. At its core, the issue extends beyond structural changes and requires a fundamental shift in mindset. As the HR Partner (2024) noted, "In previous discussions, we focused on behaviors such as leadership, integrity, flexibility, and efficiency, which characterized our past culture. However, it has become evident that these behaviors are no longer sufficient in today's VUCA (Volatile, Uncertain, Complex, Ambiguous) world."

In this context, the transformation is not solely about restructuring; it also seeks to bring about a shift in both mindset and behavior. The adoption of new agile behavioral principles (Table 4) and the VACC (Visionary, Architect, Catalyst, Coach) leadership model are integral components of this change. The emphasis is not just on structural adjustments, but on fostering significant changes in mindset and behavior, which are essential to the success of this organizational transformation

Table 4 New Agile Behavioral Principles

Agile Behaviors	Principles	VACC Enables each principle to come to life
FOCUS ON OUTCOMES	MISSION FOCUS	**Visionaries** engage with their teams in defining a mission and outcomes
CO-CREATE FOR CUSTOMERS	CUSTOMERS AND PRODUCTS AT THE CENTER	**Architects** unleash the passion and energy of their teams to deliver more value efficiently.
COLLABORATE WITH ACCOUNTABILITY	MORE POWER IN THE HANDS OF THE PEOPLE DOING THE WORK	**Catalysts** empower teams and foster collaboration across the network.
ACT, LEARN FAST & EVOLVE	FASTER WORK CYCLES AND CONTINUAL IMPROVEMENT	**Coaches** help teams learn and evolve continuously.
BE OUR BEST SELVES & INCLUDE OTHERS	ENABLING MINDSETS AND BEHAVIORS	All enabled by a shift in consciousness, to greater inner, outer and systems awareness

Source: Illustrate by the author after analyzing the B Pharma Internal data (B Pharma, 2023)

The HR Partner (2024) elaborates, "In our previous approach to 'flexible' behavior, we strongly encouraged experimentation—particularly the concept of trial, error, and learning. However, these experiments often took an extended period, making it challenging to achieve desired outcomes efficiently."

In contrast, the current "Act, Learn Fast, and Evolve" behavior, combined with reflections within a 90-day framework, encourages individuals to step out of their comfort zones and

experiment with new strategies, knowing that failure is less costly. The ability to "fail fast" within shorter cycles allows for more frequent and timely adjustments. As the HR Partner (2024) remarks, "Previously, it might have taken six months to a year to review and revise objective settings, whereas now, the mindset is: 'Why not try?'" If a goal is not achieved within 90 days, teams can swiftly pivot to an alternative approach. This shift has proven particularly valuable, as organizational restructuring—such as delayering—has flattened hierarchies, enhancing collaboration and decision-making efficiency.
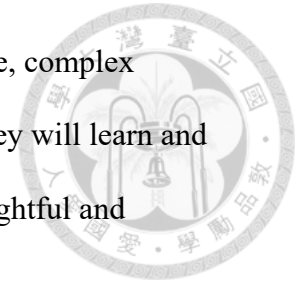
4.5.1) Employee Mindset and Organization Culture Transformation

The most critical aspect to address is mindset. A properly aligned mindset is essential, as once it is in place, other elements will naturally follow without the need for extensive intervention, leading to the desired outcomes organically. The Head of Marketing (2024) explains, "However, changing the mindset requires time for individuals to digest and adapt. As a result, we often adopt a reverse approach—first focusing on setting up the environment and structure, then establishing ways of working. This allows employees to experience the new system firsthand and gradually learn through practice."

The Head of Marketing (2024) elaborates further,

> I recall an analogy my mentor once shared with me. He asked, "How do you get an elephant to move from the forest to the road? You can't push it, and enticing it won't work either." The best approach, he explained, is to build a path that leads to the desired destination. The elephant will naturally follow the path, and in doing so, it will reach its goal.

Similarly, by constructing the right environment or system, even large, complex organizations will move in the desired direction. As they progress, they will learn and adapt through their experiences. I found this analogy particularly insightful and applicable to organizational change.

The Head of Sales (2024) adds,
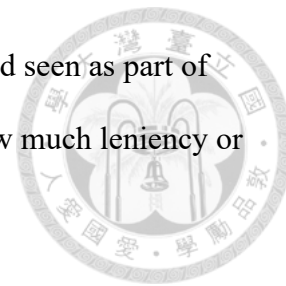
The mindset of frontline employees remains a challenge. While they seek empowerment, they may not be fully prepared to accept the responsibility and accountability that comes with it. There is an imbalance between desiring authority and taking ownership, which highlights the need for further adjustments in their mindset.

The Country Medical Director (2024) also notes,

In the context of agile transformation, I believe this new way of working, particularly for leaders, requires a willingness to relinquish control and empower others. From the perspective of our team, members are not simply being asked to take on more tasks; rather, they are being provided with opportunities to engage in more meaningful and enhanced work experiences. The focus is on offering greater opportunities to explore areas that were previously inaccessible, rather than merely increasing workloads.

Another challenge is the reluctance to fully embrace decision-making when responsibility is delegated. It raises the question of whether there's a fear of making mistakes. This might require time to assess and define whether this hesitation stems from a past lack of a culture that encourages learning from mistakes and accepting failures. Even now, this hesitation

still exists to some extent. The environment where failure is accepted and seen as part of growth is not yet fully established, and there's still uncertainty about how much leniency or tolerance for mistakes should be considered "acceptable".

4.5.2) Cross-functional meeting method change

In the past, B Pharma conducted its business discussions through monthly MMS Meetings (Marketing-Medical-Sales cross-functional meetings), during which all topics were accumulated and addressed in a single session (Figure 6). Given the fast-evolving nature of the market, meeting only once a month to discuss these issues appeared insufficient, as market conditions could shift significantly by the time the next meeting took place. The Administration Lead (2024) observes,

> Many team members felt the gap. The meetings were often overwhelming, as all relevant cross-functional teams were required to attend, regardless of whether the topics directly related to their responsibilities. These sessions frequently lasted the entire day, leaving everyone exhausted by the end. When the meeting concluded, it was a relief, only for the cycle to repeat the following month, bringing new challenges. The process became so exhausting that, by the end of the meeting, participants felt completely drained, as if their energy had been entirely depleted.
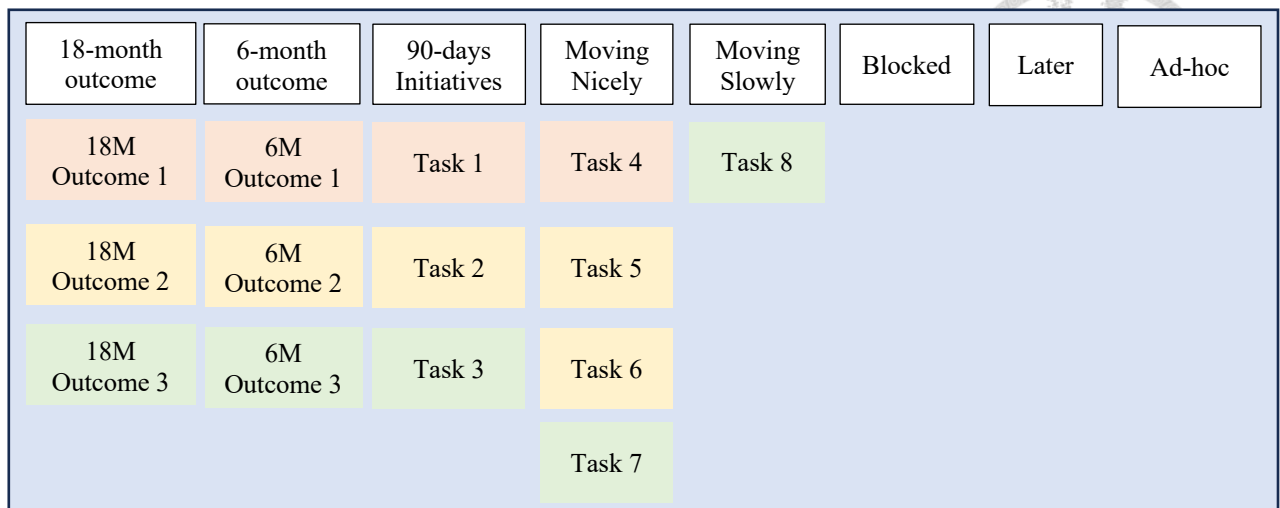
Calendar Week	Objective	Content
Week 1	Leadership meeting	Follow-up discussion for previous month MMS meeting (2~3 hours)
Week 2		
Week 3	Cross-functional meeting (MMS meeting)	Monthly cross-functional meetings (half-day or whole-day meetings) - Medical, marketing and sales update - Ongoing project update/discussion - Information sharing
Week 4		

Figure 6. Meeting schedule in Previous Operation

Source: Illustrate by the author after analyzing the B Pharma Internal data

The cross-functional discussion meetings have evolved into "weekly check-ins," which, as the name implies, typically occur once a week. However, each product team has the flexibility to adjust the frequency based on their specific needs, with some teams opting for bi-weekly check-ins. Generally, the team dedicates one hour, such as every Monday from 9 AM to 10 AM, for a brief review and update on ongoing tasks. These tasks are managed using the team's KANBAN system, where updates are recorded on previously assigned tasks (Figure 7).

During the check-in, team members share progress, address any challenges that require assistance, celebrate successes, or offer valuable insights. This approach ensures alignment across the team and facilitates the swift resolution of any obstacles that may arise.

18-month outcome	6-month outcome	90-days Initiatives	Moving Nicely	Moving Slowly	Blocked	Later	Ad-hoc
18M Outcome 1	6M Outcome 1	Task 1	Task 4	Task 8			
18M Outcome 2	6M Outcome 2	Task 2	Task 5				
18M Outcome 3	6M Outcome 3	Task 3	Task 6				
			Task 7				

Task1 (Employee 1) – Task name and the task owner
Owner: Employee 1
Outcome: Deliver task1 outcome by Q3 – definition of task accomplishment
Status: Moving nicely / Moving slowly / Blocked / Done
Progress: What was done last week / What will be done this week

Figure 7. Kanban System for Task Status Tracking

Source: Illustrate by the author after analyzing the B Pharma Internal data

If, during the weekly check-in, typically one hour in length, the team is unable to resolve a specific issue or requires additional input from others, they schedule further discussions later in the week during the "Task Meeting." The Administration Lead (2024) explains,
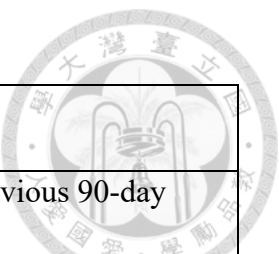
> For instance, we usually reserve Wednesday mornings for more in-depth discussions. During this time, we consolidate topics that require further attention or input from relevant colleagues and invite them to participate in the discussion.

This approach allows the team to address unresolved issues or continue discussions from the check-in. In this way, the company ensures consistent follow-up on important tasks through both weekly check-ins and Wednesday task meetings.

The company has also integrated the concept of a 90-day learning cycle (Figure 8) into its process. At the end of each quarter, the team reflects on its performance from the previous period, assessing what was done well, identifying areas for improvement, and determining necessary actions to address any shortcomings. This reflection often includes evaluating what to "Start," "Stop," and "Continue" doing, enabling the team to refine its approach based on past experiences.

By adopting the 90-day learning cycle, the organization is able to make timely adjustments to tasks and goals, which may need to evolve in response to changing circumstances. While the 90-day cycle serves as a general framework, some task-oriented teams may operate with shorter learning cycles, depending on the nature of their work. Overall, the 90-day learning cycle provides the company with the flexibility to quickly adapt and implement improvements based on the current environment.

Calendar Week	Objective	Content
Week 1	90-days Planning	Propose new or iterate tasks from previous 90-day tasks
Week 2	Weekly Check-in	Weekly 1-hour **check-in** for individual task progress tracking
Week 3	Weekly Check-in	
Week 4	Weekly Check-in	
Week 5	Weekly Check-in	Weekly / bi-weekly **task meetings** for specific topics need to be discussed, such as ongoing tasks. The meeting time is flexible but usually finish with 2 ~ 3 hours.
Week 6	Weekly Check-in	
Week 7	Weekly Check-in	
Week 8	Weekly Check-in	
Week 9	Weekly Check-in	
Week 10	Weekly Check-in	
Week 11	Weekly Check-in	
Week 12	Weekly Check-in	
Week 13	Retrospective meeting	Feedback for the previous 90-day tasks, reflection on all objectives, and conduct iterative action for the next 90 days

Figure 8. 90 Days Learning Cycle
Source: Illustrate by the author after analyzing the B Pharma Internal data

The Head of Sales (2024) elaborates on the benefits of frequent check-in meetings, explaining,

Through weekly or bi-weekly task check-ins, team members are continuously encouraged to share ideas, market insights, and concerns in real-time. This approach differs significantly from the previous model, where meetings and discussions typically occurred on a monthly basis. The new working mode has notably improved both the speed and quality of decision-making.

4.6) Talent Retention

With fewer hierarchical levels, retaining talent and providing clear development opportunities has become increasingly challenging. This was a key topic in previous meetings, where the discussion focused on how to ensure employees perceive growth opportunities within the organization, whether through promotions or diverse experiences. The Head of Sales (2024) emphasizes,

> We are currently facing difficulties because, in the past, there were more clearly defined roles for promotion. Now, it takes longer to address this issue, particularly when transitioning employees between product lines.

Many employees do not view moving to another product line as a true promotion, as they feel the job content remains largely unchanged. Although there are numerous possibilities for development, it remains uncertain whether these options fully meet employees' expectations. The Head of Sales adds, "I believe it will take time for the organization to align on this issue and for employees to fully embrace this new direction."

According to the HR Partner (2024), "The recent changes in position definitions within our organization have significantly diverged from traditional industry practices." Rather than adhering to conventional career progression paths, newly established roles are now shaped by evolving business needs and internal frameworks at B Pharma. This shift has elicited varied reactions among employees. While some are hesitant to accept these changes, others embrace the new opportunities with enthusiasm. One of the key challenges that has emerged is the redefinition of career progression paths. The HR Partner (2024) elaborates,

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"For example, sales representatives previously followed a predictable vertical trajectory, often aspiring to sales manager positions. However, the reduction in sales manager roles, driven by new span of coaching guidelines, has disrupted this traditional path, creating uncertainty around vertical mobility."

This shift necessitates a reevaluation of the company's internal development programs. In response, the organization must explore innovative approaches to support talent development, moving beyond the traditional career ladder model. While previous initiatives, such as short-term assignments and shadowing programs, were implemented, there is now a recognized need for more diversified development strategies. Introducing combined roles or broader assignments will provide employees with early exposure to various aspects of the business, thereby enhancing their experience and skill sets.

The HR Partner (2024) emphasizes,

"Our overarching goal is to foster development through 'the lens of experience,' focusing on diverse hands-on experiences rather than a fixed career trajectory. While certain positions may carry prestigious titles, our priority is to build capabilities and competencies."

The emphasis has shifted toward experiential learning, encouraging employees to take advantage of various opportunities—whether through shadowing, short-term assignments, or project-based initiatives—to develop their skill sets. This shift aligns with the value of on-the-job training, placing greater importance on skill-building over title acquisition. Ultimately, the objective is to promote faster, more effective growth through continuous development, preparing employees for future leadership roles.

The Country Medical Director (2024) also highlights the benefits of this shift, stating,

"I particularly appreciate this change, as it has introduced a variety of initiatives, such as combined roles, short-term assignments (STA), and shadowing programs. These opportunities encourage team members to broaden their scope of work and take on new responsibilities. Unlike in the past, when processes were more rigid and options, though available, were not always accessible, the current environment is more open and flexible. This shift allows employees to explore and deepen their functional roles, which I view as a positive development overall."

The company aims to provide employees with diverse learning opportunities and exposure, but financial constraints, particularly in resourcing, have limited the flexibility it once had. The Country Medical Director (2024) notes,

While employees are taking on more responsibilities, there is growing concern about the lack of compensation for the increased workload. This sentiment has been shared across regions in meetings with global medical leadership.

Without appropriate incentives or salary adjustments, maintaining motivation and ensuring long-term sustainability will be challenging. Although discussions about future compensation are ongoing, it remains uncertain what concrete measures will be introduced. The Country Medical Director (2024) further adds,

When considering employee development, it becomes evident that while capability building is essential, many employees are equally concerned with the practical outcomes of such development, particularly whether it will lead to salary increases. Employees are

interested in how the company will address this, especially regarding combined roles, which are less common in the industry.

The HR Partner (2024) elaborates on this issue, explaining that the key concern is whether combined roles are temporary or permanent. "If a combined role exceeds one year, it is considered permanent and requires a job grade evaluation, with potential salary adjustments for the added responsibilities," the HR Partner explains.

Misunderstandings often arise when employees perceive combined roles as extra work without corresponding compensation. Therefore, it is crucial to clearly differentiate between temporary and permanent combined roles. Temporary roles, such as shadowing programs, provide short-term experiences and help employees explore potential career paths.

4.7) Change management during the Agile Transformation

4.7.1) Communication with Employees

A key question is how to effectively communicate these principles and guidelines to the team and ensure compliance throughout the transformation process. According to the Head of Marketing (2024), "The transformation encompasses both mindset and behavior, which are closely tied to the principles the organization seeks to instill." When the agile mindset, behaviors, and principles were first introduced, the primary objective was to establish a clear understanding of "what good looks like," enabling everyone to work toward a shared vision.

The Head of Sales (2024) explains,

> At the start of the transformation earlier this year (2024), we consistently emphasized the importance of aligning everything we do with the five agile principles. We continually reminded ourselves to connect all actions to these principles, making sure that the agile transformation framework is a central part of our operations.

The process of communicating these principles is gradual and methodical. Initially, the leadership team ensured that all discussions were intuitively linked to the five guiding principles. As the transformation progressed, the leadership team reinforced these concepts by conducting multiple workshops and rollouts to ensure that everyone understood the principles and the rationale behind them. By June, these messages had been communicated to the representatives.

However, conveying the message once is insufficient; it requires ongoing reinforcement. Moving forward, the aim is to maintain momentum by ensuring that these principles remain a core part of daily leadership team meetings. Agile coaches are also involved, assessing the impact of actions and evaluating whether they align with the principles.
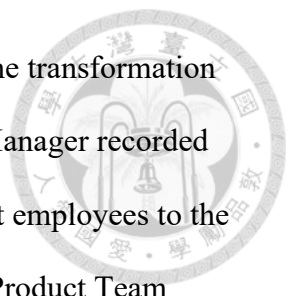
While this communication has been well integrated into Leadership Team and Product Team meetings, the engagement with the Sales Team and the broader organization has been more limited. Only one or two communication sessions have taken place with these groups, which is not enough. Continuous review and reinforcement are essential to ensure the principles are consistently applied across the entire organization.

The Country Medical Director (2024) also note,

> The company has shared several examples of how other organizations have approached
> agile transformation, and I found the case of the Dutch Nursing Company, Buurtzorg,
> particularly inspiring. I fully support the idea that, while some information must remain
> confidential, transparency and an open flow of information—based on trust, respect, and
> efficiency—are essential. This approach allows everyone to access the information they
> need easily, fostering a more productive work environment.

Rather than simply cascading decisions from the top, it is crucial to cultivate an environment of transparency where all employees feel they are working toward a shared goal. While top-down approaches have their advantages and disadvantages, creating a platform that allows employees to actively engage with the transformation process is essential. For instance, tools like Viva Engage have been introduced in B Pharma to facilitate the transition, helping employees adapt to new ways of working more effectively.

Change is inherently challenging, but making it more accessible is key. When younger employees understand the rationale behind the changes, they are more likely to remain engaged. Empowering employees to work autonomously within compliance boundaries and fostering a sense of community can further enhance their commitment to the organization. Viva Engage is designed to foster this sense of community and promote open communication, not only for sharing information but also for encouraging collaboration.

The Country Medical Director (2024) elaborates, for example, early in the transformation process, leaders such as the Sales Head, Marketing Head, and General Manager recorded videos sharing their perspectives. These personal insights helped connect employees to the change process, making it more relatable. Eventually, others, including Product Team Leads and sales representatives, contributed their interpretations of the agile transformation, enriching the overall understanding and engagement within the team.

As more employees share their experiences and reflect on their contributions to leadership principles—such as acting as catalysts to remove roadblocks—awareness and understanding grow. This fosters a more engaged and proactive team, inspiring further collaboration and supporting a successful transformation.

4.7.2) Adaption to the New Ways of Working

At the local level, the concepts of rules, principles, and Agile practices are relatively new for most employees. To address this, the company has utilized town hall meetings and interactive sessions to introduce and share these principles with colleagues. These gatherings provide an opportunity to communicate the fundamental Agile rules and guidelines. Additionally, employees are invited to participate in immersive workshops, which are essential for helping them experience firsthand the differences between traditional leadership and the new VACC leadership model being promoted. These meetings also emphasize the behavioral changes associated with adopting Agile, moving beyond mere theory or guidelines. The goal is to provide employees with a comprehensive understanding of both the old and new leadership styles through practical exercises and workshops.

The company's approach is designed to ensure broad employee participation. Initially, to establish itself as a frontrunner in Agile transformation last year, global trainers were invited to lead workshops. Following these sessions, the company adopted a "Train the Trainer" model, allowing participants to further customize the workshops to meet local needs. The content was refined into a one-day workshop, optimized for local language and context, ensuring that all employees could participate and benefit from the training.

The Head of Marketing (2024) notes differences among employees:
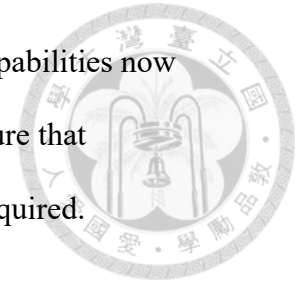
More senior employees who have found success in traditional models may struggle with the transition. These individuals often require additional practice or tangible examples of how the new methods can be beneficial. However, once they experience positive outcomes from these approaches, they are more likely to adopt the desired behaviors.

In contrast, when new employees join the organization, the structure and ways of working are already established, enabling them to naturally learn and engage with the new methods from the outset. Foundational training is embedded within their onboarding program, ensuring they are introduced to these systems early on. As a result, new employees tend to adopt the new ways of working more quickly, as they are immediately immersed in the updated practices.

4.7.3) Managing Employee Capabilities and Personnel Adjustment Issues

The company is undergoing a comprehensive transformation, with a particular focus on enhancing the capabilities of its representatives as part of its change management strategy. This process was initiated around May and June of 2024, with the first step involving clear

communication with Sales Managers to clarify the competencies and capabilities now expected from representatives. Focus areas were clearly outlined to ensure that representatives fully understand the scope of their roles and the skills required.

The second step involves continuous training efforts, with a strong emphasis on skills such as Salesforce's PFI (Patient Focus Interaction). Although the company previously had a dedicated Training Manager, the current approach encourages internal teams to take on these responsibilities. For instance, team leaders or mentors within the Sales Team are now facilitating PFI role-plays and scenario-based practice sessions. This shift requires more initiative from the teams themselves to reinforce their skills.

The third, and perhaps most crucial, aspect is the mindset. Changing the mindset is not something that happens overnight; it requires consistent reinforcement. This includes recognizing and sharing best practices when someone successfully implements a new idea or approach. The company actively encourages the sharing of best practices to foster continuous improvement and help employees adapt to the new ways of working.

The Country Medical Director (2024) also adds, from a medical perspective, that there is currently a top-down approach within the Medical division, primarily driven by the regional leadership, as the organization is still in the early stages of this transition. For instance, in November, a meeting will be held for medical leads, formerly known as MAs, bringing together representatives from across the APAC region. This event, described as a "bootcamp," will focus on a range of essential topics.

The agenda includes financial aspects, such as understanding finance reports and effective business communication, with the goal of ensuring that all participants are aligned and speaking the same language across different functions. Additionally, practical sessions will address how to navigate and adapt to the new model, which differs significantly from traditional methods. This bootcamp is designed to equip Medical leaders with the tools needed to succeed in this evolving environment, helping them bridge the gap between scientific expertise and business strategy.

4.8) Outcome of B Pharma Taiwan after Agile Transformation
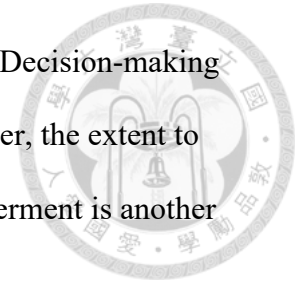
Decision-making and Accountability

The process has undergone significant changes. For instance, in order to promote empowerment, the decision-making authority that used to rest with the Business Unit Director has been delegated to the Product Team Lead. Consequently, the approval thresholds for monetary decisions have been relaxed. In the past, certain decisions required the approval of first-line managers, but now, Sales Managers (SMs) are empowered to approve, which has reduced the number of layers involved in decision-making. For example, previously, requests for leave needed supervisor approval, but now, employees are accountable for managing their own time off.

The Head of Sales (2024) mentions,

> Overall, based on my own assessment, I see significant improvement in decision-making, especially in alignment with the goals we initially set. This includes internal

reviews we conducted as well as feedback from frontline employees. Decision-making has indeed accelerated, and employees feel more empowered. However, the extent to which they are truly able to handle the responsibilities of this empowerment is another matter and an area we need to continue working on.
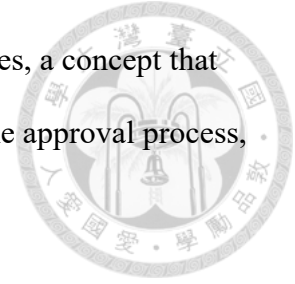
The Administration Lead (2024) elaborates further on the assessment. When the Australian agile coach provided agile training in November 2023, they illustrated a concept by drawing a line representing the company's journey towards Agile transformation. The scale ranged from 0 to 10, with 10 representing the highest level of agility, akin to that of a start-up company. The coach then asked the PLT, "Where do you think we stand?" Responses varied, but most placed the company between 1 and 5, with many leaning closer to 1 or 2. Although far from the goal, the aspiration was to eventually reach a 7 or 8 on that scale. Reflecting on that moment, the visualization of the line became a concrete representation of the company's aspirations. Agile transformation, as we know, is a substantial undertaking. If progress is measured in terms of the approval process, the Administration Lead believes the company is now nearing an 8.

> "Initially, I never imagined we could move beyond the 'Four Eyes' principle or bypass managerial approval. Especially in a large multinational company, the idea of removing approvals seemed implausible—how could we manage risks or prevent loopholes without them? However, this mindset would have restricted meaningful change, keeping us on the traditional path," the Administration Lead remarked.

Today, with systems like Concur and SmartBuy, the company has implemented random approval and reduced the need for managerial approval on transactions below a certain

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threshold. For example, approvals are now only required for 10% of cases, a concept that once seemed unimaginable. From this perspective, at least in terms of the approval process, the company has achieved an 8 on that agility scale.

However, the latest employee survey results on B Pharma's Agile Transformation (B Pharma, internal data, 2024) reveal that decision-making remains a concern and has a different perception from the leadership level. Decision-making at the appropriate organizational level continues to be a challenge, with a score of 3.78 in the most recent survey, closely mirroring the previous result of 3.7 for decisions being made at the lowest possible level. This reflects a persistent issue in effectively decentralizing authority within the organization.

Resource Flow
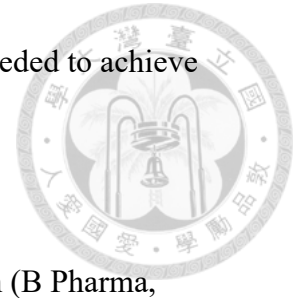
In terms of resource flow, there remains a significant gap. While the BU framework has been removed, the presence of Product Teams continues to create certain boundaries. According to the Head of Sales (2024),

> From my observation, product teams still tend to treat resources as exclusive to their own teams, resulting in a reluctance to share resources across teams. In this regard, I would say we are still falling short, and I would personally rate this aspect as unsatisfactory.

Regarding talent mobility, the Head of Sales (2024) also notes,

> We have started to see some adjustments between different products, which is a sign of progress. However, if we consider the ideal scenario where personnel can be moved

without any obstacles, I believe we are not yet there. More work is needed to achieve seamless talent movement across teams and projects.
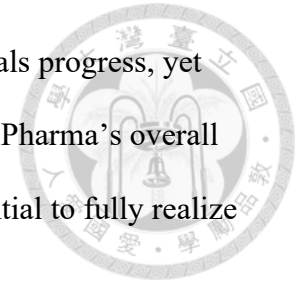
The latest employee survey results on B Pharma's Agile Transformation (B Pharma, internal data, 2024) reveal that resource flow remains a significant concern. Workload continues to be a pressing issue, as highlighted in the previous survey, particularly in terms of staffing levels (3.4) and the ability to complete tasks within working hours (3.8). In the most recent survey, resource flow remains one of the weakest areas, with a score of 3.61, reflecting persistent challenges in ensuring that talent and funding are effectively allocated where they create the most value.

From a talent flow perspective, the Administration Lead (2024) highlights improvements, stating,

> "For example, when sales representatives wish to transition to a different product line, there are now significantly greater opportunities for such moves. In the past, employees were often viewed as resources exclusive to their Business Unit (BU), meaning that a sales representative within one BU would rarely transfer to another. However, under the new structure, opportunities are evaluated holistically."

If a sales representative's skills align with a new role and they express interest, the transition can happen swiftly. This flexibility in personnel movement and development marks a notable change from the previous structure, where such transitions were less common.

The newfound flexibility in personnel movement and development signals progress, yet broader issues around resource flow and workload continue to hinder B Pharma's overall agility. Further refinement in resource allocation strategies will be essential to fully realize the benefits of the Agile Transformation.

However, despite this positive outlook from the leadership team, the latest employee survey results (B Pharma, internal data, 2024) indicate that concerns about B Pharma's ability to provide equal opportunities for all employees persist. This issue is underscored by a consistent score of 3.7 in both the recent and previous surveys, suggesting that more work is needed to address this challenge effectively.

Mindset Change

The transformation at B Pharma has not yet reached its final stage, according to the Head of Marketing (2024), who explains that while everyone is on the same path, there is noticeable variation in progress. Some employees have advanced significantly, while others are still lagging behind. The key challenge now is figuring out how to support those who are trailing to ensure the team moves forward collectively without creating an unsustainable gap.

As the pioneers of the transformation make steady progress, the focus has shifted toward helping others catch up. Initially, the emphasis was on transforming the work environment, with the expectation that a mindset shift would naturally follow. However, this shift remains a considerable challenge, particularly in how individuals react to difficulties.

Changing mindsets requires consistent practice, as people tend to revert to reactive behaviors in challenging situations.
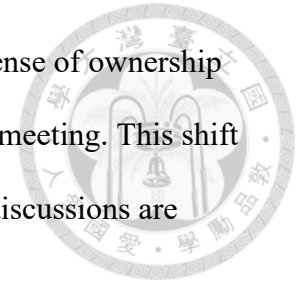
Additionally, not all employees are fully engaged in the transformation process. Some individuals thrive in traditional work structures, while others are enthusiastic about the new approach, feeling empowered to propose ideas and make decisions. As a result, the level of buy-in varies across the team, contributing to increased turnover rates during the transformation. One of the main objectives moving forward is to stabilize the organization by fostering deeper engagement among those who remain. This remains one of the key challenges in the aftermath of the transformation.

According to a recent survey (B Pharma, internal data, 2024), employees are making conscious efforts to maintain creative mindsets (3.81) and adopt enabling behaviors (3.88), both of which are crucial to the success of the Agile Transformation. These scores align with the previous survey's findings, where inclusion and collaboration across divisions scored 4.0 and 4.1, respectively. Despite these positive signs, the variation in progress and the need for deeper engagement highlight the ongoing challenges in fully realizing the transformation's benefits.

In terms of working pace, the current rhythm has also noticeably accelerated compared to the previous, more routine-driven work environment. According to the Administration Lead (2024), "Previously, tasks followed a more predictable and slower cadence, with key activities occurring once a month. Now, with weekly check-ins and meetings, there is a

clear sense of urgency and accountability." Employees feel a stronger sense of ownership and responsibility, knowing they must demonstrate progress at the next meeting. This shift has significantly enhanced the speed at which tasks are completed and discussions are conducted, leading to more efficient and productive work processes.

The Administration Lead (2024) further adds, "I believe that the pace of work has significantly accelerated, and discussions have become more efficient." In the past, even after meetings, decisions were not always made immediately. Now, there is a greater willingness to take bold actions and experiment with new approaches that haven't been tried before. The mindset has shifted to 'why not?'—if the risk is manageable, we try it. There's now more room for trial and error, fostering innovation and flexibility. This change in the meeting structure has noticeably increased productivity. Previously, meetings were held only once a month, and progress was slow. Now, with weekly or bi-weekly updates, there is a sense of urgency to push oneself and ensure progress is made. Employees feel internal pressure not to report being stuck or without updates at the next meeting, which fosters personal accountability. As a result, both the speed and efficiency of work have visibly improved.

"We're only in the third quarter of this transformation, so it's still early to determine whether we're on the right track. However, I do appreciate the increased flexibility that the new model has provided," shared the Country Medical Director (2024). The new approach has allowed the team to tackle tasks with greater creativity and adaptability, representing a significant shift from the more rigid methods of the past. While it remains uncertain

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whether this flexibility will translate into tangible benefits for patients or doctors, the potential is evident.
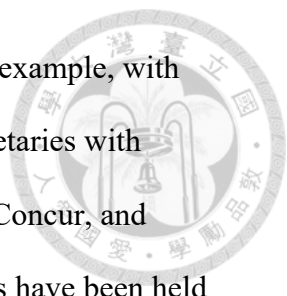
Process Change

Toward the end of last year, colleagues from the administrative and service departments discussed the possibility of digitizing processes. For instance, instead of relying on secretaries for every task, the general affairs department could directly communicate with employees for tasks such as applying for new vehicles or handling traffic fines. This approach eliminates the need for unnecessary back-and-forth communication between secretaries, employees, and departments.

Previously, this system persisted simply because it was the established norm, and no one questioned its inefficiencies. However, after organizational changes and a shift in mindset, it became clear that many tasks could be streamlined without involving secretaries. Since all employees work within the same company, there should be no hierarchical or departmental barriers to direct communication.

For example, traffic fines could be managed electronically by scanning and emailing the necessary documents directly to the employees concerned, bypassing the need for paper-based communication or verification through secretaries. This shift in mindset, along with organizational changes, has significantly reduced unnecessary delays and fostered more direct and efficient communication across departments. The willingness to embrace change has been key in driving these improvements in the company's internal processes.
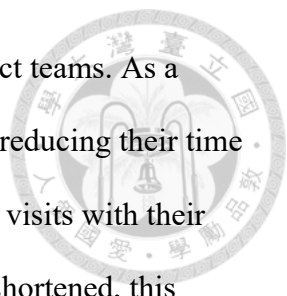
The next step involves identifying tools that can simplify processes. For example, with Concur, the expense reporting system, employees often approached secretaries with questions. However, the accounting manager is actually responsible for Concur, and employees can contact her directly. To improve accessibility, discussions have been held about implementing an FAQ or even a chatbot to assist with common queries. This initiative aims to empower employees to manage their tasks independently, reducing reliance on intermediaries. With the shift in mindset, providing appropriate, user-friendly tools to facilitate this process is the next logical step.

The Agile Transformation initiative has encouraged a more creative approach, prompting the exploration of potential methods for driving meaningful change. As part of this effort, discussions have taken place with Greater China IT to explore modernizing outdated systems by migrating them to a cloud platform. The ultimate goal is to integrate systems like the sample application and sales reporting into a unified cloud-based solution. This transition would improve data accessibility for commercial teams, allowing real-time access to information without waiting for reports from the Commercial Intelligence Manager. Enhanced data transparency is critical for facilitating more efficient decision-making processes.

Challenges

Increased Workload

Many sales colleagues expressed immediate concerns about the reduced time spent in the field. Some sales managers were responsible for overseeing two products, which required

them to participate in check-in and task meetings for two different product teams. As a result, they often spent up to four days a week in meetings, significantly reducing their time in the market and limiting opportunities for coaching or conducting field visits with their teams. While the frequency of meetings increased and the duration was shortened, this created confusion about whether their productivity should be focused on tasks or meetings. In response, adjustments were made after the first quarter. For example, meetings shifted to a bi-weekly schedule, and specific team members—those with more relevant expertise or experience—were invited to contribute directly, rather than requiring all sales managers to attend. This increased flexibility allowed for more focused participation, alleviating initial concerns about prolonged meetings without valuable contributions.

Governance Concerns

The key challenge lies in determining which processes should remain unchanged and which can be modified. How do we evaluate this? Currently, after nine months of transformation, spot checks are being conducted to assess whether employees are taking accountability and ownership of their responsibilities in the process changes. Compliance plays a significant role in these assessments.

If the spot checks reveal that the new processes are mature and functioning well, authority will continue to be delegated. The Head of Marketing (2024) elaborates, "However, if we identify individuals who are not managing their responsibilities effectively, we will pause the process and provide retraining." Should retraining fail to lead to improvement, it may be necessary to temporarily scale back the delegation of authority. This delegation process

follows a test-and-learn approach, as excessive delegation without the corresponding level of accountability can create undue pressure on employees. Currently, the organization is working to adjust the balance between authority and accountability.
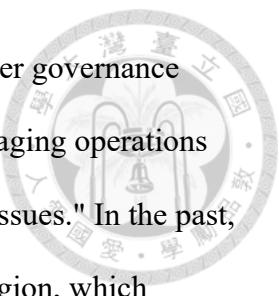
The Country Medical Director (2024) also expressed concerns regarding IIR governance. Since the agile transformation, the IIR process has remained largely unchanged, with the last review conducted over a year ago. While the process has certainly accelerated—tangible metrics show improvements, such as a reduction in review times from five days to three—it remains unclear whether further streamlining under the agile framework is feasible.

Although the faster process is evident, questions arise about its impact on review quality. While physicians' insights are invaluable, global recommendations still play a role in the process. The key concern is whether the shortened timeline allows physicians sufficient time to refine their IR submissions to maximize their impact.

The Country Medical Director (2024) remarks,

It's challenging to determine the 'ideal' review period. While we can track simple metrics—such as the number of days it takes to review submissions and the increase in IR submissions—I'm more concerned about the overall impact of these changes. Are we sacrificing quality for speed, or does the streamlined process ultimately benefit us more? These are questions we need to consider moving forward.

Additionally, the Country Medical Director (2024) reflected on the broader governance changes under the agile model, stating, "As a physician, I admit that managing operations without the same level of oversight can be daunting, and I fear potential issues." In the past, multiple levels of approval were required, particularly from the APAC region, which provided both approval and guidance based on broader experience across multiple countries. Their insights were crucial in identifying potential risks or gaps in our processes.

"Now, with this layer of oversight removed under the guise of empowerment, I find myself questioning whether our team is fully prepared for this model," he emphasized. While empowerment is valuable, it requires a high degree of maturity and experience from the entire team, which may be lacking. "This shift in governance raises significant compliance risks, and I am concerned about our capacity to manage these new responsibilities effectively without additional support," he concluded.

IT System Gap

Starting in January 2024, the Administration team persistently engaged with regional and global teams responsible for procurement systems, emphasizing the lack of flexibility in the current setup. The system automatically assigns the administrative manager (A-line manager) for approvals, regardless of the actual decision-making structure. For example, even though Product Managers (PMs) report to the Head of Marketing (A-line), key product decisions are approved by the Product Team Lead (R-line), yet the system only recognizes the A-line manager, which creates inefficiencies.

"Initially, I was informed that changes to the global system would not be made for a few markets like Taiwan," the Administration Lead (2024) remarked. However, as other markets, such as Korea and the Philippines, began experiencing similar issues, the pressure for change increased. Eventually, the global team conducted a trial with the Smart Buy system in the U.S., which yielded positive results. This success prompted the decision to extend the changes to non-U.S. markets, demonstrating that successful global coordination is essential for smoother system updates and implementation.

Change Management

While the underlying concept of personnel adjustments during the transformation process may be sound, the human element—given its inherent complexities—is more difficult to manage. The transition to a coaching ratio of 1:15 to 1:20 is one example where, although theoretically beneficial, the practical implications for individuals can be challenging. This adjustment is not straightforward and does not uniformly fit across all markets, each with varying levels of complexity.

The rapid pace of transformation has affected some colleagues, prompting them to explore external opportunities, which can negatively impact team morale. The Administration Lead (2024) suggests, "If there is an opportunity for further dialogue with headquarters, it would be worth discussing whether the transformation could be implemented at a more gradual pace."

The current speed, which requires local branches to meet specific quotas almost immediately, has left little room for a grace period or sufficient preparation. She adds, "This rushed approach has made it difficult for teams to adapt, even when they recognize

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the potential long-term benefits." Ultimately, considering a more flexible timeline for achieving these targets would be beneficial for both the team and the overall success of the transformation.

The Country Medical Director (2024) also expressed concerns, stating,

Looking back, I feel that if we had another chance to implement these changes, we would need to approach them differently, particularly given the challenges these transitions present. Humans naturally resist rapid change, and I believe we should have placed more emphasis on change management. One of the key lessons I've learned is that patience is often lacking, and those who feel skeptical may choose to leave. My concern is that we may inadvertently push out loyal employees, even though many genuinely love working at B Pharma.

Regarding the organization structure in Taiwan, especially when compared to other multinational pharma companies, B Pharma has always operated with a lean structure. While other companies may assign a separate Medical Science Liaison (MSL) for each indication of a product, B Pharma often has just one MSL managing multiple indications.

The Country Medical Director suggests,

To truly support our employees, we need to focus on fostering their growth rather than simply reacting to immediate challenges. As it stands, it feels like we're constantly firefighting, dealing with issues as they arise rather than proactively addressing the root

causes. What we need are strategic, long-term solutions that go beyond merely increasing pay.

Now, with even fewer resources and insufficient support measures in place, the risk of employee burnout is high, despite offering additional roles or temporary raises. While extra compensation for taking on combined roles may work in the short term, it is not a sustainable solution in the long run. Eventually, employees will face burnout without a more sophisticated system of support.

Chapter 5 Conclusions and Suggestions

5.1) The conclusion of the thesis
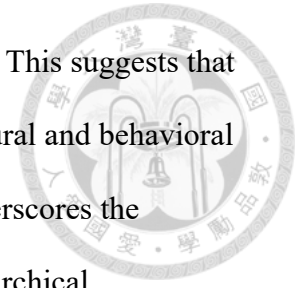
The objectives of this study are twofold: 1. To analyze and provide insights into how changes in organizational structure, leadership roles, regulations and processes, meeting practices, and organizational culture can facilitate and support the successful completion of B Pharma's Agile Transformation. 2. To identify and discuss potential future challenges that B Pharma may face during its Agile transformation and provide recommendations for overcoming these obstacles and enhancing the transformation process.

In Chapter 4, the findings from B Pharma Taiwan's Agile Transformation are centered around key challenges and outcomes related to organizational structure, leadership adaptation, decision-making, resource allocation, and workload management. The case study demonstrates both the progress and ongoing difficulties faced by the company as it seeks to implement a more agile and efficient operating model. Below is an academic-style elaboration of these findings.

1. Organizational Structure and Decision-Making

The transformation at B Pharma aimed to decentralize authority and enable quicker decision-making by reducing hierarchical layers. However, despite these efforts, decision-making remains a challenge. The internal survey data suggests that employees perceive issues with decision-making still being overly centralized. The score for decision-making at the appropriate organizational level was recorded at 3.78 in the latest survey, reflecting

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only marginal improvement from the 3.7 score in previous assessments. This suggests that while the structural changes have been implemented, there are still cultural and behavioral barriers that prevent full empowerment of employees. This finding underscores the complexity of achieving genuine decentralization in a traditionally hierarchical organization .

2. Leadership and Coaching

The leadership changes in B Pharma, driven by the adoption of the VACC (Visionary, Architect, Catalyst, Coach) model, marked a significant departure from traditional control-based leadership. The findings suggest that while there has been progress in leadership adaptation, challenges remain, particularly around coaching and support. Employees rated leadership at 3.89 for removing roadblocks and guiding teams, which, while moderately strong, indicates room for improvement. This is consistent with the finding that leaders are still adapting to their new roles as facilitators rather than decision-makers, which requires a mindset shift.

3. Resource Flow and Workload

One of the most prominent challenges identified in the case study is the issue of resource allocation and workload management. In both the previous and recent surveys, resource flow—i.e., ensuring that talent and funding are directed where they create the most value— received some of the lowest scores (3.61). Furthermore, concerns about workload persist, particularly for teams responsible for covering multiple products. This reflects an ongoing

difficulty in balancing agility with sustainable resource management, especially in the context of increased work expectations due to the transformation.

4. Cultural Shifts and Employee Mindset

The cultural shift toward agility and empowerment is one of the most complex aspects of the transformation. While the organization has made strides in changing its operational model, changing mindsets remains a work in progress. According to the case study, some employees thrive in the new agile environment, proposing ideas and taking ownership of tasks, while others struggle to adapt to the increased responsibility. The varying levels of buy-in are reflected in increased employee turnover during the transformation, as not all employees have embraced the new ways of working. This illustrates the need for ongoing change management efforts focused on employee engagement and mindset shifts .

5. Talent Mobility and Development

The case study highlights a positive shift in talent mobility, with increased opportunities for employees to transition between product lines. This flexibility marks a significant departure from the previous structure, where talent was confined within Business Units. However, B Pharma's strategy also reveals several weaknesses, particularly in decision-making decentralization, resource allocation, and workload management. Despite efforts to empower employees, decision-making remains centralized, limiting true autonomy. Resource flow is inefficient, with talents and funding not consistently directed to high-value areas, exacerbating workload pressures. The rapid pace of transformation has led to

uneven progress, with some employees struggling to adapt, resulting in higher turnover rates. Additionally, leadership, though well-intentioned, faces challenges in effectively guiding teams and removing obstacles, raising concerns about the long-term sustainability of the agile framework.

In conclusion, while B Pharma Taiwan's Agile Transformation has led to important organizational changes and improvements, particularly in leadership, talent mobility, and flexibility, challenges remain in areas like decision-making, resource allocation, and workload management. The transformation is still ongoing, and the next steps must focus on further decentralizing authority, improving resource flow, and continuing to shift employee mindsets to align with agile principles. The findings underscore that structural changes alone are insufficient—real transformation requires sustained efforts in culture, leadership, and employee engagement to ensure lasting success.

The second objective is to identify the potential challenges that B Pharma faces in its Agile transformation related to talent retention and development. Agile transformations often require a shift in both mindset and operational processes, which can lead to varying degrees of acceptance and adaptation among employees. While some employees may readily embrace Agile methodologies and thrive in an environment that promotes autonomy, experimentation, and accountability, others, especially those who are more accustomed to traditional hierarchical structures, may struggle to adapt to the new ways of working.

In particular, employees who have experienced success in traditional models of operation may find it challenging to adjust to Agile principles, where leadership is decentralized, and

decision-making is pushed down to the team level. This resistance to change can result in frustration or uncertainty, which may, in turn, lead to higher turnover rates. B Pharma, like many organizations undergoing transformation, may experience difficulties in retaining talent, as employees who feel uncomfortable or disengaged with the Agile approach could seek opportunities elsewhere.

Moreover, talent development becomes a critical issue during this transformation. In an Agile organization, employees are expected to take on new roles and responsibilities, requiring a broader set of skills and a higher degree of accountability. The challenge for B Pharma will be to provide the necessary training and development programs that equip employees with the skills they need to succeed in a fast-paced, collaborative, and customer-centric environment. This includes developing leadership capabilities at all levels, fostering effective communication and conflict management skills, and encouraging continuous learning and adaptability.

5.2) Thesis Contribution

As mentioned above, there are 2 purposes of this study: 1. To analyze and provide insights into how changes in organizational structure, leadership roles, regulations and processes, meeting practices, and organizational culture can facilitate and support the successful completion of B Pharma's Agile Transformation. 2. To identify and discuss potential future challenges that B Pharma may face during its Agile transformation and provide

recommendations for overcoming these obstacles and enhancing the transformation process.

This thesis examines how a century-old company can navigate rapid changes and prioritize customer needs through a comprehensive organizational transformation. The analysis focuses on changes in organizational structure, culture, approval processes, and employee capabilities. Using B Pharma Taiwan as a case study, the paper highlights key considerations for companies embarking on similar transformations. The challenges are not solely in reshaping the organizational structure but also in addressing the psychological adaptation and mindset shifts required of employees. Through interviews, the research demonstrates the considerable effort B Pharma invested in supporting its employees through this transition, emphasizing both intellectual and skill development.

The thesis provides valuable insights for other companies looking to undergo agile transformations, whether multinational pharmaceutical corporations or local businesses in Taiwan. It offers practical guidance in a range of areas, including organizational structure and leadership position design, decision-making and approval processes, meeting method design, and IT system modifications. The findings serve as a comprehensive resource for companies and academic researchers interested in understanding the intricacies and challenges of agile transformation, offering a detailed account of the lessons learned and strategies employed during the process.

5.3) System and Data Improvement

B Pharma Taiwan's agile transformation commenced in October 2023, with organizational, positional, and process changes beginning to take shape in 2024. As a result, only preliminary outcomes are currently observable, providing limited insight into the broader impacts on efficiency and profitability. At this early stage, drawing comprehensive comparisons remains challenging. Additionally, the absence of quantitative employee survey data at this time makes it difficult to assess whether the agile transformation has effectively addressed the key concerns of frontline employees.
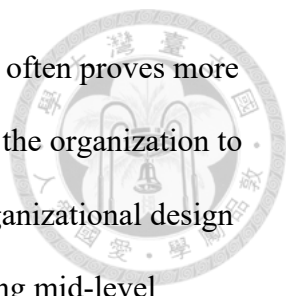
5.4) The analysis of Potential Recommendation

5.4.1) Challenges of Bottom-up versus Top-down in Agile Transformation

B Pharma's transformation was executed using a top-down approach, with organizational structure and management roles designed based on practices observed in Australia (Section 4.2). While this method allowed for a swift rollout, it neglected an important principle of agile transformation—the iterative, trial-and-error process that engages the organization's existing culture and identifies the most appropriate goals, as noted by Karvonen (2018). The absence of an iterative process meant that the company initially bypassed the input and engagement of middle management and frontline employees, which are essential for effective collaboration and ensuring a successful transformation (Pawel, 2017). Consequently, the organizational design implemented may not have been fully aligned with the actual needs of the local market and employees.

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Karvonen (2018) highlights that a bottom-up approach to transformation often proves more effective, fostering increased involvement from employees and enabling the organization to adjust more flexibly to new challenges. Rather than imposing a fixed organizational design from the start, a more participatory approach would have involved inviting mid-level managers—such as Medical Advisors, Product Managers, and Sales Managers—to familiarize themselves with the key concepts of the VACC (Visionary, Architect, Coach, Catalyst) leadership model, as well as the company's overarching goals and guardrails. This approach would have allowed these leaders to better understand the necessary changes and contribute meaningfully to the design of the product teams, ensuring a more collaborative and comprehensive transformation.

In addition to involving mid-level managers, B Pharma could have implemented a pilot program in which employees experimented with a flexible, temporary organizational model. This would allow teams to test the new processes, provide feedback, and adjust at a gradual pace, helping the company identify challenges before making formal organizational changes. Such an approach would allow employees to determine whether they are well-suited to the new ways of working, fostering greater buy-in and minimizing the risk of resistance. Those who adapt well to the new system could stay, while those struggling could explore other opportunities.

A phased transformation strategy offers employees time to shift their mindset and adjust to new methods of working. Instead of making abrupt structural changes, the organization could reevaluate its structure based on practical feedback gathered during a trial period of

three to six months. This iterative approach would help refine the transformation process and better align it with the company's actual needs. Denning (2018b) supports this idea, recommending that structural changes should occur only after an initial period of experimentation and adaptation. By first allowing teams to adapt to new cultural norms and processes, organizations can ensure smoother transitions and ultimately achieve more sustainable and effective transformation outcomes.

5.4.2) Preparation of Cultural and Employee Mindset Transformation

The transformation process significantly impacted the development of leadership skills among middle management. Managers were trained using a top-down approach, which did not inherently equip them with the leadership competencies aligned with the VACC (Visionary, Architect, Coach, Catalyst) model. These leadership skills were only acquired after the organizational roles were established in middle 2024. Furthermore, first-line employees began their training six months into the transformation. As the Span of Coaching guidelines expanded, enhancing both leadership and employee capabilities became crucial to meet the new organizational structure's demands and ensure the effective execution of their roles and responsibilities.

Organizations may benefit from conducting a thorough analysis of their current culture before initiating the transformation journey towards agile (Karvonen, 2018). In this situation, with no significant shift in organizational culture, the organization proceeded with structural adjustments, creating a significant gap between employees' competency and

the agility that the company aimed to achieve. This gap underscores the importance of first shifting mindsets before implementing structural changes.

For future transformations in other companies, it is recommended that companies focus on mindset change and capability upgrading, training early on so that both employees and managers understand the goals and vision (the "North Star") of the transformation (Denning, 2018b). After this foundational mindset shift, the organization can engage in bottom-up discussions, where teams collaboratively determine the structure of product teams and customer teams while still aligning with headquarters' guidance and guardrails. This bottom-up approach ensures that the organizational structure and leadership roles are better suited to meet local market demands.

5.4.3) Talent Strategy

Before its transformation, B Pharma's leadership team focused heavily on the new organizational structure design. Still, as mentioned in section 5.4.1, this process could have benefited from a bottom-up approach, learning through trial and error to meet the local branch's unique needs. For a genuine agile transformation, the leadership team should instead focus on designing a talent strategy earlier (Lawler III and Worley, 2015), something middle managers and first-line employees can't initiate due to a limited understanding of the mindsets and skills needed for future leaders and employees (e.g., VACC (Visionary, Architect, Coach, Catalyst), agile behaviors).

Based on interviews from Sections 4.3 and 4.8, it is evident that B Pharma needs a comprehensive talent development strategy. For instance, while people managers need VACC skills, there are no detailed execution plans to improve their skills in the early phase of transformation on how people leaders can manage business objectives while also coaching team members, attending weekly check-in meetings, and visiting markets to maintain engagement with key customers.

For the transformation for people managers to expand to a larger Span of Coaching (SoC), which people managers are already equipped to handle a larger SoC? Which teams are well-suited for a broader SoC? And which products may require more time for transformation before they can accommodate a larger SoC? These are key questions that need to be answered before pushing for significant structural changes within a short time frame, such as in nine months.

By assessing these factors early on, organizations can avoid forcing transformations prematurely (Lawler III and Worley, 2015). If the talent development strategy is integrated into the timeline from the outset, people managers will have ample time to prepare for an expanded SoC. This proactive approach allows managers to develop the necessary leadership skills, while also giving employees and leaders more confidence in their roles. Moreover, such strategic planning and communication can foster a smoother transformation process. Ensuring that both managers and teams are ready for these changes enhances organizational readiness and effectiveness, creating a more successful transition overall. These responsibilities require more proper discussion and planning in B Pharma's

leadership team before creating the necessary organizational chart and talent development plan.

Unfortunately, B Pharma's leadership team missed the opportunity to establish a talent strategy in the earlier stage of transformation, which caused confusion and distrust among loyal employees. This lack of direction led to employees leaving the company, serving as a learning point for other companies seeking to undergo agile transformation. Future agile transformations should ensure that a talent strategy is aligned with organizational restructuring to mitigate employee uncertainty and maintain trust.

For the employee development after the transformation, according to Section 4.6, B Pharma is currently focused on enhancing employees' "The Lens of Experience" as a strategy to address the lack of vertical promotion opportunities. This approach aims to broaden employees' exposure to different roles and departments, allowing them to gain diverse experiences. However, employees have expressed concerns about the tangible benefits of this approach. For instance, transitioning from an ophthalmology MR role to an oncology MR role within B Pharma does not result in a salary increase. In contrast, pursuing external opportunities at another company with similar skills and experience in oncology would likely lead to a promotion and a higher salary.

Leadership acknowledges that this issue is widely recognized but often overlooked, referring to it as the "elephant in the room." The absence of compensation adjustments may be perceived as "sugar-coating" the situation.

To genuinely establish a "Lens of Experience" culture, B Pharma must invest more effort in recognizing and rewarding employees, ensuring that their contributions are valued through appropriate compensation.

5.4.4) The gap between the IT system and the transformed process

B Pharma, a company with a long-standing history, also operates on legacy IT systems. While its transformation efforts have primarily focused on restructuring the organization, the importance of upgrading or replacing outdated IT systems to align with new local processes has been overlooked. In an iterative learning process, IT systems should be regularly updated based on user feedback to ensure they support new approval workflows and organizational practices. Additionally, global IT teams should empower local IT departments by granting them the flexibility to modify systems to better suit local market requirements, which aligns with agile principles promoting adaptability and responsiveness.

5.5) The limitation of the study and the suggested directions for future research

5.5.1) Company Name Disclosure

After discussing this thesis topic with the managing director of B Pharma Taiwan, the author decided to study it without disclosing the company name to avoid any potential business impact. This limitation might make it difficult to extend or follow up on the transformation result or study it further from this thesis.

5.5.2) Research method: In-depth Interview
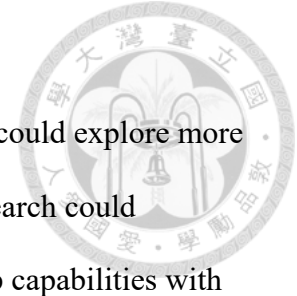
Upon reviewing the findings, it becomes evident that relying solely on in-depth interviews introduces certain limitations. The analysis could have been more comprehensive if quantitative data had also been included, such as results from an employee agile transformation survey or other relevant quantitative assessments. Incorporating these additional data sources would have provided a more robust and holistic understanding of the topic, allowing for a better-rounded evaluation of the transformation's effectiveness and impact on the organization.

5.5.3) Inability to Test or Implement recommendations and measure the result

As the transformation continues in 2024, most positions and processes have already been rearranged and deployed according to the current structural plan. At this stage, implementing a mindset change management plan to assess its impact on the transformation is not feasible. Additionally, evaluating the existence of a talent management plan and its potential effect on improving employee confidence, capability, or commitment to the transformation remains challenging. Given the ongoing nature of the transformation, the full impact of talent management and mindset shifts on the overall success of the change is difficult to measure at this time.

5.5.4) Recommendation for Future Research

Based on the conclusions from current findings, future research in the pharmaceutical industry's Agile transformation should focus on the following areas to enhance long-term sustainability and broader implications:

1. Talent Development and Leadership

As organizational agility depends on talent management, future studies could explore more advanced frameworks for developing leadership skills at all levels. Research could investigate the most effective training programs that combine leadership capabilities with agile principles, ensuring that leaders are equipped to facilitate rather than control, driving team autonomy and accountability.

2. Comparative Analysis of Top-down versus Bottom-up Agile Implementation

The ongoing debate on whether top-down or bottom-up approaches are more effective in agile transformations remains relevant. Researchers could conduct comparative studies across different industries, focusing on the impact of both methods on employee engagement, speed of transformation, and overall business outcomes.

3. Long-term Impact of Agile on Workload and Employee Well-being

Given the concerns raised about workload, particularly with talent and resource flow, it would be beneficial to explore long-term impacts on employee well-being. Research could evaluate the effectiveness of agile practices in distributing workload and its effects on job satisfaction, mental health, and employee retention.

4. Sustainability of Agile in Complex Environments

The pharmaceutical industry is governed by stringent regulations and intricate market dynamics. Studies could examine the sustainability of agile practices in such a highly

regulated environment, addressing how agile principles can be balanced with compliance requirements without slowing down decision-making or innovation.

5 Cultural Context in Agile Adoption

While B Pharma's agile transformation has highlighted significant benefits, cultural barriers, particularly in Asia where hierarchical structures are prevalent, pose challenges. Future research could focus on how agile practices can be adapted to different cultural contexts, exploring the nuances of hierarchical comfort versus the empowerment necessary for agile practices.

6. Technological Integration and Digital Transformation

As noted in B Pharma's transformation, legacy IT systems can limit agility. Future research should investigate the role of digital transformation in facilitating agile practices, focusing on how cloud-based platforms and AI-driven tools can enhance agility in decision-making, resource allocation, and real-time collaboration across different functions.

7. Performance Ranking Method in agile organization

In agile organizations, business performance management is typically handled by product or customer teams, while talent development falls under the responsibility of functional chapter leaders. This division has led to increasing debate over how to effectively evaluate individual performance and link it to salary adjustments or bonus calculations. The complexity of performance assessments within this structure raises questions about fairness and motivation, particularly when balancing business outcomes with personal development

goals. Therefore, future research could explore the design of performance ranking systems

in agile environments to identify optimal strategies that encourage employee engagement

while aligning with both business performance and talent development objectives.

These suggestions aim to provide a deeper understanding of how agile methodologies can

be sustained and adapted within the pharmaceutical industry, ensuring both compliance and

innovation in a fast-paced, highly regulated environment.

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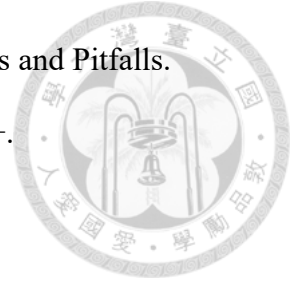
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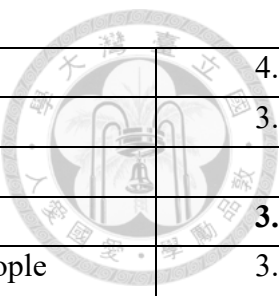
Appendix

Appendix 1 – B Pharma Employee Survey 2023 Wave II

Responses 125 employees

Leadership	4.0
The work we do at B Pharma positively impacts people's lives.	4.2
The work I do is meaningful to me.	4.2
At B Pharma we collaborate to win.	4.0
I have confidence in the leaders at B Pharma to make the right decisions for the company.	3.8
I have opportunities to learn and develop.	3.9
I know I will be recognized for good work.	3.9
Flexibility	**3.9**
At B Pharma we focus on providing the best solutions for our external customers.	3.8
I understand how my work creates value for our external customers	4.1
At B Pharma we value learning from our failures.	3.9
In my team we take time to work on new ideas.	3.9
In my team we embrace digital ways of working.	4.1
I feel digital transformation helps me to deliver better results	3.8
Integrity	**3.9**
At B Pharma we treat each other fairly and with respect.	3.9
At B Pharma we seek out diverse perspectives.	3.8
At B Pharma we collaborate across divisions / functions.	4.1
At B Pharma we communicate openly and honestly.	3.8
At B Pharma I have role models who inspire me in my work.	4.0
At B Pharma we are truly committed to driving sustainability.	4.0
Efficiency	**3.9**
At B Pharma decisions are made at the lowest possible organizational level	3.7
I feel encouraged to take the initiative and move things forward	3.9
We strive for simple, fast and pragmatic solutions	3.8
I can make good use of my talents, skills and abilities in my daily work	4.0

|	
I have the autonomy I need to do my job well.	4.0
I can organize my work in a way that I can keep my work-life balance	3.7
Sustainability	**3.9**
I feel confident to explain B Pharma's sustainability commitments to people outside of work.	3.9
I am proud of B Pharma's sustainability engagement.	3.9
In my team we drive for sustainable solutions in our daily work.	4.0
Workload	**3.7**
There is usually sufficient staff in my team to handle the workload	3.4
I can accomplish my tasks within the agreed working hours.	3.8
In my team we focus on key priorities.	4.0
Inclusion	**3.9**
I can bring my full self to work	3.9
B Pharma provides equal opportunities for all employees.	3.7
My colleagues show inclusive behavior.	4.0

Top 3 score:

|	
The work we do at B Pharma positively impacts people's lives.	4.2
The work I do is meaningful to me.	4.2
At B Pharma we collaborate across divisions / functions.	4.1

Least 3 score:

There is usually sufficient staff in my team to handle the workload.	3.4
At B Pharma decisions are made at the lowest possible organizational level.	3.7
B Pharma provides equal opportunities for all employees.	3.7

Appendix 2 – B Pharma Agile Transformation Survey 2024 Q2

Responses 126 employees (75.9% of total pharma employees)

Agile transformation	Score
1. I am confident that Agile Transformation will help us to reach our strategic objectives	3.85
2. I am personally committed to making Agile Transformation a success	4.02
3. I have seen improvement in the way we work as result of Agile Transformation	3.71
Mission focus	
1. In what level do you understand B Pharma mission	4.13
2. In what level do you think our day to day working is mission focus	4.11
3.In what level do we make decision to remove those task/initiatives that are not mission focus	3.90
More power in the hands of people doing the work	
1. At B Pharma, right decision make at the right organizaiton level?	3.78
2. In what level do people doing the work receive clear framework that allow them to do their decision within given framework?	3.71
3. I have the autonomy and capability I need to do my job well	4.09
Customers and products at the center, supported by technical expertise and resource flow.	
1.In what level our customers are satisfied with our creating value with distinctive products enabled by world-class expertise	3.84
2. In what level the talents are flowing in the organization, funding and other resources to where they create the most value for customers and products	3.61
3. We always conduct initiatives and create value from customers' perspective	3.96
Enabling mindsets and behaviors	
1. What level of your consciousness keep yourself in creative mindset or switch from reactive mindset to creative mindset	3.81
2. How consciously are you to choose different and far more enabling mindsets to deliver the core believe of people	3.88
Leadership (VACC)	
1. How is your leader to guide you in defining the outcomes to deliver on the mission	3.92
2. How is your leader to remove roadblocks to facilitate connection and collaboration	3.89

3. How is your leader to shape a value-creating system to unleash the passion and energy of our people	3.92
Open Questions	
What are the good things about the agile transformation and its potential impact on your role and the company as a whole?	
What is holding me back from implementing agile transformation?	

Top 3 score:

1. In what level do you understand B Pharma mission	4.13
2. In what level do you think our day to day working is mission focus	4.11
3. I have the autonomy and capability I need to do my job well	4.09

Least 3 score:

In what level the talents are flowing in the organization, funding and other resources to where they create the most value for customers and products	3.61
In what level do people doing the work receive clear framework that allow them to do their decision within given framework?	3.71
At B Pharma, right decision made at the right organization level?	3.78