R&D Project Management in the Chemical Industry



The following collection of PowerPoint[®] Charts is intended to further clarify and supplement the relevant specialist publications on the subject matters dealt with. This collection in no way is used for any commercial purposes, but as learning material for students.

Selected sources for in-depth studies of the respective subject matters are given in some lists of references.

The chemical-technical target components, formulas, deadlines, data, project structures and action plans shown in project examples P1-P3 are widely with a practical orientation, but yet purely fictitious. They are solely used for a clear illustration of the particular topic and for learning purposes.

The names of all persons with project functions are solely fictional. Matches with the names of other people would be purely coincidental.

R&D Project Management in the Chemical Industry

The Subject Matter



- Innovations: Characteristics, Measures for its Promotion, Process Variants.
- Three Examples for Innovation Projects (Chemistry and Technology):
 - 1. Highly Elastic Clear Coats for the OEM Automotive Sector.
 - 2. Nitrilase Catalyzed Synthesis of a Chiral Hydroxy-Carboxylic Acid.
 - 3. New Metal-Organic Frameworks for the Adsorptive Storage of Gases.
- Projects, Target Systems, Project Management in R&D.
- Appropriate Organization and Effective Structure Planning of R&D Projects.
- Project Flow Planning, Milestones, the Stage-Gate[®]-Process, Network Diagrams.
- Effective Implementation and Control of R&D Projects, Trend Analyses.
- Success Risks: Identification, Classification and Treatment.
- Recruitment and Lead of Project Staff: Chemists (m/f/d) – Team Players, Pacemakers and Executives in Projects.
- Project Manager (m/f/d): Tasks, Leadership Functions and Personality Profile.
- The Systematic Evaluation of Individual R&D Projects.
- R&D Strategy: The Planning of a Project Portfolio.



The Project Scorecard (P. SC.) for Individual R&D Projects.

Project Financing (F):

How do we design our finances and resources to satisfy both, our principals and customers?

Customer Integration (C):

How do we want to involve our customers in order to achieve our project goals optimally?







Project Flow (P):

Which processes in the project do we have to optimize in order to quickly realize the target system?

Innovation/Learning (I):

How do we want to sustainably use our project learning experiences as "Lessons Learned"?





Capital Value, Net Present Value (NPV), Purpose:

Important figure for the **profitability analysis of R&D projects**. It provides assistance in the case of current R&D investment decisions (project start: yes / no) (project continuation: yes / no) and **portfolio plannings** with several R&D projects to be compared among each other.

Its calculation is particularly reasonable for R&D projects: In these are the different periods for project-related "Cash-Outflows" (In particular R&D expenditures) and the periods of time for project-related "Cash-Inflows" (In particular revenue through successful market introduction) clearly separated from each other.

This is always the case for R&D projects: In the initial phases "business case", "lab-phase", "pilot phase", the costs (salaries for laboratory personnel, equipment, analyses, chemicals) are very high. Compared to this, the "revenues" (E.g. by "negative taxes", therefore tax savings) are negligible.

Capital Value, Net Present Value (NPV), Purpose:

The NPV delivers a dynamic, future-oriented and real balance sheet on the respective reporting date: In a current project, the corresponding discounted values of the foreseeable revenues (Capital return, cash inflow) are added to the discounted foreseeable expenses (Capital-need, cash outflow). Both, the discounted cash-inflow and the discounted cash-outflow, are calculated separately and netted for every subsequent year.

Advantage: Both, the planned annual cash-inflow and cash-outflow have a **uniform**, interest-adjusted **reference point**.

The NPV is always aimed from the reporting date into the future! Expenses from the past are not relevant to the decision and are not considered **("Sunk Cost Principle")**.

Procedure for Determining the Net Present Value (NPV):

The net present value is calculated for a *key date* (Today). For this purpose, the currently *foreseeable* project-related future revenue (Capital returns: "Cash-Inflow") and expenses (Capital expenditures: "Cash-Outflow") are accounted for all at once, as if they were already effective today.

The NPV is calculated by referring the sum of all future project-related, **discounted revenue to today** and subtracting from this sum all future, project-related **expenditures**, also **discounted to today** for reasons of comparability. In addition, an immediately due - and therefore not interest-adjusted - "initial deposit" (E. g. apparatus purchase) will be deducted.

In order to calculate *today's discounted present value*, the individual time-differing contributions to revenue and expenses are each calculated with a **beforehand agreed** interest rate per year (Example here: 05% discounting per year).











Net Present Value (NPV):

 Σ of all discounted (e. g. 05%/Y) revenues –

 Σ of all discounted (e.g. 05%/Y) expenditures + expenditure at the beginning.

Net Present Value (NPV) > 0 : The project is worthwhile under purely financial aspect, if technical success and market success are *sure*!

Number Example for All Discounted Revenues:

Year	Revenues €	Discount Factors with an Interest Rate of 05% per Year	Present Values €
2020	10.000	1: (1,05) ¹ = 0,9524	9.524
2021	15.000	1: (1,05) ² = 0,9070	13.605
2022	15.000.000	1: (1,05) ³ = 0,8638	12.957.000
2023	32.000.000	1: (1,05) ⁴ = 0,8227	26.326.400
"Projected" to the present day, $\Sigma \longrightarrow $ € 39.306.529			

Number Example for All Discounted Expenditures:

Year	Expenditures €	Discount Factors with an Interest Rate of 05% per Year	Present Values €
2020	2.400.000	1: (1,05) ¹ = 0,9524	2.285.760
2021	9.700.000	1: (1,05) ² = 0,9070	8.797.900
2022	600.000	1: (1,05) ³ = 0,8638	518.280
2023	20.000	1: (1,05) ⁴ = 0,8227	16.454
"Projected" to the present day, $\Sigma \longrightarrow $ € 11.618.394			

Net Present Value; Numerical Example for the Calculation:

 Expenditure at the beginning Σ Discounted (5%) Expenditures 11.618.394 € Net Present Value, NPV (Today's "Future Balance") → 27.518.135 € 	Σ Discounted (5%) Revenues	39.306.529€
 - Σ Discounted (5%) Expenditures - 11.618.394 € Net Present Value, NPV (Today's "Future Balance") 27.518.135 € 	 Expenditure at the beginning 	- 170.000€
Net Present Value, NPV (Today´s "Future Balance") → 27.518.135 €	 – Σ Discounted (5%) Expenditures 	- 11.618.394 €
	Net Present Value, NPV (Today´s "Future Balance")	> 27.518.135 €

Leverage Effect of the Interest Rate on the Resulting NPV

Years	Σ Present Values Revenues €	Σ Present Values Expenditures €	Interest Rates	NPV*
2020 ↓ 2023	43.720.322	12.260.456	02%	31.289.866 €
2020 ↓ 2023	39.306.529	11.618.394	05%	27.518.135€
2020 ↓ 2023	33.146.987	10.662.360	10%	22.314.627 €

*Assumption: Constant Expenditure at the Beginning of 170.000 €!





Expected Commercial Value (ECV) for an R&D Project:

$$ECV = \left[(PV \times C_{cS} - L) \times C_{tS} \right] - C$$

PV	Present Value: Σ of Future, Discounted <i>Revenues</i> (<i>Cash-inflow</i>), Cash Value.
C _{cS}	Probability of Commercial Success (0 – 1).
L	Costs for Product Launch and Commercialization.
C _{tS}	Probability of Technical Success (0 – 1).
D	(Remaining) Research and Development Costs.

Expected Commercial Value (ECV) for an R&D Project:

The ECV is the in relation to economic and technical success probability-weighted present value $PV(\Sigma \text{ of future discounted} \text{ revenues})$. The remaining product launch and development costs, which are independent from those probabilities, have to be subtracted.







Capital Value, Net Present Value (NPV)

Estimated Revenues (From 01.01.2020) in the R&D Project "Highly Elastic Clear Coats..."

Year	Revenues €	Discount Factors with an Interest Rate of 05% per Year	Present Values €
2020	18.000	1: (1,05) ¹ = 0,9524	17.143
2021	18.000	1: (1,05) ² = 0,9070	16.326
2022	13.000.000	1: (1,05) ³ = 0,8638	11.229.400
2023	24.000.000*)	1: (1,05) ⁴ = 0,8227	19.744.800
^{*)} Assumption: Sales Volume/Year \approx 1.900 t of paint with an O.R. of \in 12.63 per kg. Total O.R. $\approx \in$ 24 million/year.): 31.007.669

Capital Value, Net Present Value (NPV)

Estimated Expenditures (From 01.01.2020) in the R&D Project "Highly Elastic Clear Coats..."

Year	Expenditures €	Dicount Factors with an Interest Rate of 05% per Year	Present Values €
2020	6.495.000	1: (1,05) ¹ = 0,9524	6.185.838
2021	9.167.000	1: (1,05) ² = 0,9070	8.314.469
2022	4.120.000	1: (1,05) ³ = 0,8638	3.558.856
2023	18.000	1: (1,05) ⁴ = 0,8227	14.809
Expen 265.00	diture at the Beginning: 0 € (E – Painting Robot)	Σ (€)	: 18.073.972



Present Value (PV) for ECV-Calculation

Σ of the Planned Revenues (From 01.01.2021) in the R&D Project "Highly Elastic Clear Coats..."

Year	Revenues €	Discount Factors with an Intertest Rate of 05% per Year	Present Values €	
2021	18.000	1: (1,05) ¹ = 0,9524	17.143	
2022 13.000.000 1: (1,05) ² 11.791.000 = 0,9070				
2023	24.000.000*)	1: (1,05) ³ = 0,8638	20.731.200	
^{*)} Assumption: Sales Volume/Year \approx 1,900 t of paint with an O.R. of \in 12.63 per kg. Total O.R. $\approx \in$ 24 million/year. Σ (\in): 32.539.343				

R&D Project "Highly Elastic Clear Coats for the OEM" \longrightarrow $ECV = [(PV \times C_{cS} - L) \times C_{tS}] - D$ PVPresent Value: Σ of Future, Discounted Revenues32.539.343(Cash-inflow), Cash Value.32.539.343	
$ \longrightarrow ECV = \left[(PV \times C_{cS} - L) \times C_{tS} \right] - D $ $ PV Present Value: \Sigma of Future, Discounted Revenues 32.539.343 $ $ (Cash-inflow), Cash Value. $	
PV Present Value: Σ of Future, Discounted <i>Revenues</i> 32.539.343 (<i>Cash-inflow</i>), Cash Value.	
(Cash-Inflow), Cash Value,	€
C _{cS} Probability of Commercial Success $(0 - 1)$.0,	'5
LCosts for Product Launch and Commercialization.210.000CProbability of Technical Success (0, 1)	€
C_{ts} Probability of recrifical success (0 - 1).D(Remaining) Research and Development Costs.10.680.00)€
ECV = [(32.539.343 € x 0,75 – 210.000 €) x 0.80]	
- 10.680.000 € = 8.675.606 €	

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- The Systematic Evaluation of Individual R&D Projects.
- R&D Strategy: The Planning of a Project Portfolio.









R&D Strategy: The Planning of a Project Portfolio

Necessary: A smooth, trans-functional and crosssectoral cooperation in the own company.

R&D strategies reflect the **"conscience"** of a company. They have a transdisciplinary, company-wide character, and they are indispensable!

The corresponding strategic planning requires the cooperative **interaction** of technical, sales-related and financial resources.

R&D Strategy: The Planning of a Project Portfolio

Necessary: A smooth, trans-functional and crosssectoral cooperation in the own company.

> Unfortunately, some people responsible for planning research and development projects cannot say "No!".

> This causes, that their companies will frittering away their precious R&D resources and can not gain a strong technology position anywhere.


Types of Strategic Portfolio Planning and Steering in the Chemical Industry and their Full Cross-Linking (Simplex): **Product Portfolio R&D Project Portfolio** Supply-related **R&D** Project-Related Success Factors: **Success Factors:** Future products. Assessment of the product groups, current situation and the product substitutions. future potential in terms product deletions. of technology and noticeable trends market, conformity with (Lifestyle-changes). the corporate strategy. 4 2 K₄ - Graph R **Technology Portfolio Business Portfolio Technical-Logistical** Entrepreneurial Success Factors: Success Factors: Production process, plant Business strategy, design, factory-network, current and future transport, warehousing, markets. market safety, environmental shares, market growth,

complete value chains.

protection measures.



Rainer Buerstinghaus



The Technology Market Matrix:

An effective tool for the targeted structuring of the R&D strategy planning between research / development on the one hand and the company management together with the operational business divisions on the other.

Examples of operational divisions in the chemical and pharmaceutical industries (Global Business Divisions):

Pharmaceuticals, Consumer Health, Vaccines, Intermediates, Fine Chemicals, Performance Chemicals, Petrochemicals, Construction Chemicals, Catalysts, Dispersions, Pigments, Coatings, Agricultural Products, Polycarbonates, Styrenics, Polyurethanes, Polysiloxanes, Oil&Gas, etc.

R&D Strategy: The Planning of a Project Portfolio			
The Technology Matrix	The Technology Matrix; Two Coordinate Axes (x/y):		
The technology ma status and developm	trix provides information about the ent potential of the own technologies.		
(Own) Technology Sum of all (own) technical and scien- tific methods and of all functional operational equipment.			
Technology Position $(0 \le x \le 100)$	State of the company's techno- logy in (external) comparison to that of the competition.		
Technology Potential $(0 \le y \le 100)$	Development possibilities of the own technology from internal company`s view.		





→	Technology Position:
•	

Criteria	Factors
R&D Competence	Current ability to find new, competitive products, processes and applications. Present competence/training of scientific and technical personnel. Use of available know-how synergies. Current internal and external knowledge transfer. Todays existing research collaborations.
Procedures	Present competitiveness of procedures: Yields, chemical conversions, quality, costs, ecological/toxicological safety. Transferability of the procedure to other products. Current state of the art.
Product Performances	Competitiveness of one`s own current products. Purity of these products. Present physical and biological properties of the new substances.
Raw materials/ Intermediates	Current availability of raw materials at acceptable prices, own raw material supply, number and reliability of external supply sources.
Facilities/Infrastructure/ Verbund	Type and condition of production equipment, apparatuses. Reliable energy supply, functioning disposal facilities required for production.
Patents/Licenses	Intellectual property rights for the own research results. Present existence of own key patents and prohibition rights of third parties. Availability of competent and committed cooperation partners.
Costs	Current manufacturing costs, investment costs, variable costs and fixed costs, economies of scale. Company-owned synergies.



Technology Potential:

Criteria	Factors
Innovation potential through R&D	Probability to develop fundamentally new products and processes in future. Existing starting points. Long-term expertise of the staff, prospective availa- bility of know-how and synergies. Envisaged future research collaborations.
Procedures	Possibility for improvement of existing, own procedures concerning yield, substance turnover, product quality, costs, (eco) toxicological problems.
Product performances	Opportunities for the improvement of future products/product ranges. Possible and feasible physical, technical or biological property profile.
Raw materials/ Intermediates	Improvement of the availability of raw materials at acceptable prices. Own, long term future supply of raw materials. Number and reliability of external sources of supply.
Facilities/Infrastructure/ Verbund	Approaches for improving the type and / or condition of equipment required for production, better equipment. Future secure energy supply. Long-term functioning modern disposal facilities.
Patents/Licenses	Potential for improvement of own industrial property rights situation. Own key patents, potential, attractive cooperation partners.
Costs	Opportunities to reduce manufacturing costs, investment costs, variable and fixed costs. Possibilities for "Economy of Scale". Company-owned, future synergies.



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The Market Matrix; Two Coordinate Axes (x/y):

The **market portfolio** provides information about one's own position in the market and the future appeal to the business.

(Own) Market	Fields of the own business activities in the interaction of supply and de- mand.
Market Position $(0 \le x \le 100)$	Own current position in the mar- ket, with regard to a product or a product group.
Market Attractiveness $(0 \le y \le 100)$	Future attractiveness of the mar- ket (within 10 years) from the company's own point of view.



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Market Position:

Criteria	Factors
Market Share	Today's shares of the worldwide market volume and of the regional market.
Internal Consumption	Current opportunity to use resulting (intermediate) products in-house and integrate them into the own value chains.
Earnings Position	Present revenue after deducting all costs per ton sold / kilogram of product sold.
Logistics	Current situation with regard to smooth transport and delivery of the products according to the customer's request ("just in time").
Marketing Expertise	The own ability to successfully position current products in the market through service. Efficient technical service on site. Experience and flexibility of the current sales team.
Product Quality	Properties of today's product meet / exceed customer requirements. Quality constancy, no complaints.
Customer Structure	Current number, size, locations and (buy) behavior of key customers. Their current buyer power and credit rating.
Product Range	Today's product variety with regard to the current market needs. Complete "product range offers". Current buying habits of customers.



Market Attractiveness:

Criteria	Factors
Market Growth	Expected average annual growth of the market in the next 10 years. New fields of application. Future law changes.
Market Volume	Expected volume-related and value adding-related market size in about 10 years.
Displacement/ Substitution	Future replacement of competitor`s products with own products or the substitution of own products. Likely speeds and the foreseeable extent of predatory competition and product substitution.
Market Access Barriers	Upcoming legal regulations. Need for big investments. Regulatory restrictions. Possible technical hurdles.
Earnings Prospects	Expected future earnings and return in the own company (BE, Gross Yield).
Supplier Structure	Number, size, locations and future behavior of competitors, intensity of competition. Later mergers and concentration processes.
Customer Structure	Foreseeable number, size, locations and purchasing behavior of the customers. Their future market force. Later concentration processes. Probability of centralization of customer`s purchasing.
Environmental Situation	Later influences of the market for reasons of environmental protection. Upcoming legal regulations, changes of acceptance in the population.











R&D Project, Weighting of the Individual Criteria

Example

Technology Position, Normalization -> Maximum Value: 100.

Criterion	Weighting	Assessment (Maximum!)	Weighting x Assessment
R&D Competence	05	05	25
Procedures	04	05	20
Product Performance	02	05	10
Raw Materials/Intermediates	01	05	05
Facilities/Infrastructure	02	05	10
Patents/Licenses	04	05	20
Costs	03	05	15
Total	Σ 21		Σ 105

Scaling Factor: 100/Σ Weighting x Assessment

100/105 ≈ 0,95







Technology Position, Normalization: Maximum Value 100.

Criterion	Weighting	Assessment (Maximum!)	Weighting x Assessment
R&D Competence	04	05	20
Procedures	02	05	10
Product Performance	05	05	25
Raw materials/Intermediates	03	05	15
Facilities/Infrastructure	02	05	10
Patents/Licenses	04	05	20
Costs	02	05	10
Total	Σ 22		Σ 110

Scaling Factor: 100/Σ Weighting x Assessment

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100/110 ≈ 0,91

R&D Project "Highly Elastic Clear Coats for the OEM..." Technology Matrix Framework Conditions Dependence on various raw material suppliers, especially those who supply diisocyanates and oligools for the production of HBC crosslinkers. Currently, personnel and maintenance-intensive batch plants are used. Plan: Construction of a continuously operating new plant in Slovakia (EU). High wage and energy costs at today's production site. Plan: Relocation of the entire production to Eastern Europe in about 3 years. Owner of key patents with long remaining terms. Future collaborations with leading research institutes in the field of new materials are in an advanced planning process.

Technology Position:

Criterion		Weighting	Assessm	nent	Weighting x Assessment
R&D Competence		04	\rightarrow	02	08
Procedures		02		03	06
Product Performance		05		03	15
Raw Materials/Intermedia	tes	03	\rightarrow	02	06
Facilities/Infrastructure		02		03	06
Patents/Licenses		04	\rightarrow	05	20
Costs		02	\rightarrow	02	04
Total		Σ 22			Σ 65
Scaling Factor	10	0/110 ≈ 0,91	65 x	: 0,9 1	= 59,15

Technology Potential:

Criterion	Weighting	Assessment	Weighting x Assessment
Innovation potential, R&D	04	→ 04	16
Procedures	04	03	12
Product performance	03	05	15
Raw materials/Intermediate	es 03	02	06
Facilities/Infrastructure	02	03	06
Patents/Licenses	03	03	09
Costs	05	→ 04	20
Total	Σ 24		Σ 84
Scaling Factor	100/120 ≈ 0,83	84 x 0,83	3 = 69,72



Market Position:

Criterion	Weighting	Assessment	Weighting x Assessment
Market Share	04	→ 02	08
Internal Consumption	03	→ 01	03
Earnings Position	03	04	12
Logistics	02	04	08
Marketing Expertise	04	03	12
Product Qualität	05	→ 05	25
Customer Structure	04	04	16
Product Range	04	03	12
Total	Σ 27		Σ 96
Scaling Factor 1	00/135 ≈ 0,74	96 x 0,74 =	71,04

Market Attractiveness:

Criterion	Weighting	Assessment	Weighting x Assessment
Market Growth	05	→ 05	25
Market Volume	03	03	09
Displacement/Substitution	02	04	08
Market Access Barriers	04	→ 05	20
Earnings Prospects	05	→ 05	25
Supplier Structure	04	04	16
Customer Structure	03	03	09
Environmental Situation	02	05	10
Total	Σ 28		Σ 127
Scaling Factor 1	00/140 ≈ 0,71	127 x 0,71 =	= 90,17










R&D Strategy: The Planning of a Project Portfolio

R&D Project "Nitrilase-Catalyzed Synthesis..."



The Biotech-Company "[...GmbH 2]":

Start-up company with 77 employees throughout Europe, including 15 (bio) chemists, 7 microbiologists, 13 engineers (FH), 4 engineers (TU).

Own research and development with attached production and pilot plants. Active for 8 years in R&D, scale-up and the production of ChiPros using "White Biotechnology".

Special products: Enantiomeric pure, optically active carboxylic acids, carboxylic esters and amines as intermediates for new pharmaceutical agents and crop protection products.



- Medium-term indispensable investments in a continuously operating "Chemostat bioreactor" equipped with modern measuring and control technology, corresponding to the state of the art.
- Uncertainty about the short- and long-term development of the state of science and technology in the case of nitrilases within white biotechnology. Noticeable increase in patent applications by the competition.
- Excellent, consistent product purity thanks to a reliable quality control.
- Free access to the latest biotechnological research results. Very good position for recruiting top biotechnologists or chemists.
- Reliable raw material base through a long-term safe and steady supply of cyanohydrin from 2-methoxy-2-methyl-propanal by the parent company.

Technology Position:

Criterion		Weighting	Assessn	nent	We Ass	ighting sessme	x nt
R&D Competence		05	\rightarrow	05			25
Procedures		05	\rightarrow	03			15
Product Performance		05	\rightarrow	05			25
Raw Materials/Intermediat	es	03	\rightarrow	05			15
Facilities/Infrastructure		04		03			12
Patents/Licenses		05		04			20
Costs		03		05			15
Total		Σ 30				Σ1	27
Scaling Factor	00	/150 ≈ 0,67	127 x	0,67	=	85,09	

Technology Potential:

Criterion		Weighting	Assess	ment	We Ass	ighting sessme	j x ent
Innovation potential, R&D		04	\rightarrow	05			20
Procedures		05		04			20
Product performance		05	\rightarrow	05			25
Raw materials/Intermediate	es	04	\rightarrow	04			16
Facilities/Infrastructure		04		05			20
Patents/Licenses		05	\rightarrow	02			10
Costs		04		04			16
Total		Σ 31				Σ1	27
Scaling Factor	100	/155 ≈ 0,65	127	x 0,65	=	82,55	



- Market share in Europe is currently <3%, as several biotechnological start-up companies have successfully established themselves in the product segment "enantiomerically pure carboxylic acids".
- Currently, only one "major customer" from the crop protection sector is in sight as a buyer. Over the next ten years, however, its competitors in the same class of active ingredients are likely to become active.
- In the future, mergers and centralization of the purchasing departments will most likely increase their power as customers.
- Quality leadership as a reliable manufacturer of a high-purity, chiral α-hydroxycarboxylic acid. Lean production and administration processes with flexible delivery dates and delivery times.

Market Position:

Criterion	Weighting	Assessment	Weighting x Assessment
Market Share	04	→ 01	04
Internal Consumption	01	01	01
Earnings Position	05	03	15
Logistics	03	→ 04	12
Marketing Expertise	03	03	09
Product Qualität	05	→ 05	25
Customer Structure	04	→ 01	04
Product Range	04	02	08
Total	Σ 29		Σ 78
Scaling Factor	100/145 ≈ 0,69	78 x 0,69 =	53,82

Market Attractiveness:

Criterion		Weighting	Assessment	:	Weighting x Assessment
Market Growth		04	→ 04	ŀ	16
Market Volume		03	03	3	09
Displacement/Substitutio	n	01	03	3	03
Market Access Barriers		01	04	ŀ	04
Earnings Prospects		05	→ 02	2	10
Supplier Structure		04	04	ŀ	16
Customer Structure		04	→ 02	2	08
Environmental Situation		04	03	3	12
Total		Σ 26			Σ 78
Scaling Factor	10	0/130 ≈ 0,77	78 x 0,77	=	60,06









Example P3	
Portfolio Plan Positioning	nning: of a R&D Subproject.
Subproject	"New Metal Organic Frameworks for the Adsorptive Storage of Hydrogen Gas".

R&D Strategy: The Planning of a Project Portfolio

Subproject "New Metal Organic Frameworks.....Hydrogen Gas".



The Chemical Company "[...GmbH 3]":

Smaller, medium-sized company: 127 employees across Europe, including 11 chemists, 17 engineers (FH), 5 engineers (TU). Manufacturer and distributor of special metal organics.

Own research and development, own production. Active for 12 years in R&D, scale-up and contract manufacturing of Metal Organica.

Organic specialty chemicals: Production and distribution of TMA (Trimellitic anhydride) and PMA, (Pyromellitic anhydride).



- Urgently necessary investments in the expansion of the pilot plant for the vacuum drying of highly porous materials are already emerging today. The best possible chemical engineering needs to be clarified in the medium term.
- At present, there are only informal contacts with universities elaborating firstclass research results in the MOF sector. Future, very close and exclusive cooperations are planned.
- Best possible raw material situation: TMA and PMA are produced as pure substances in-house. There is a reliable supplier of Zn(NO₃)₂ in own company holding.
- Owners of key patents with long durations in each case. The focus is on highly porous materials with excellent gas storage capacity.

Technology Position:

Criterion		Weighting	Assessm	ent	We Ass	ighting sessme	g x ent
R&D Competence		04	\rightarrow	02			80
Procedures		05		04			20
Product Performance		05		05			25
Raw materials/Intermedia	ates	05	\rightarrow	05			25
Facilities/Infrastructure		04	\rightarrow	02			08
Patents/Licenses		05	\rightarrow	05			25
Costs		03		05			15
Total		Σ 31				Σ1	26
Scaling Factor	100	/155 ≈ 0,65	126 x	0,65	=	81,9	

Technology Potential:

Criterion		Weighting	Assessment	We As	eighting sessme) X ent
Innovation potential, R&D		04	→ 05			20
Procedures		05	03			15
Product performance		04	→ 05			20
Raw materials/Intermediat	tes	04	05			20
Facilities/Infrastructure		04	→ 03			12
Patents/Licenses		05	04			20
Costs		03	04			12
Total		Σ 29			Σ1	19
Scaling Factor	100	/145 ≈ 0,69	119 x 0,69	=	82,11	



Market Position:

Criterion	Weighting	Assessment	Weighting x Assessment
Market Share	04	→ 01	04
Internal Consumption	02	01	02
Earnings Position	03	04	12
Logistics	03	→ 04	12
Marketing Expertise	05	→ 02	10
Product Qualität	04	→ 04	16
Customer Structure	04	→ 02	08
Product Range	04	03	12
Total	Σ 29		Σ 76
Scaling Factor	100/145 ≈ 0,69	76 x 0,69 =	52,44

Market Attractiveness:

Criterion	Weighting	Assessment	Weighting x Assessment
Market Growth	05	03	15
Market Volume	03	→ 02	06
Displacement/Substitution	ח 02	03	06
Market Access Barriers	04	→ 02	08
Earnings Prospects	05	03	15
Supplier Structure	03	03	09
Customer Structure	03	→ 01	03
Environmental Situation	03	→ 02	06
Total	Σ 28		Σ 68
Scaling Factor	100/140 ≈ 0,71	68 x 0,71 =	48,28









R&D Project Management in the Chemical Industry

The Subject Matter

Innovations: Characteristics, Measures for its Promotion, Process Variants.

At the End....

- Three Examples for Innovation Projects (Chemistry and Technology):
 - 1. Highly Elastic Clear Coats for the OEM Automotive Sector.
 - 2. Nitrilase Catalyzed Synthesis of a Chiral Hydroxy-Carboxylic Acid.
 - 3. New Metal-Organic Frameworks for the Adsorptive Storage of Gases.
- Projects, Target Systems, Project Management in R&D.
- Appropriate Organization and Effective Structure Planning of R&D Projects.
- Project Flow Planning, Milestones, the Stage-Gate[®]-Process, Network Diagrams.
- Effective Implementation and Control of R&D Projects, Trend Analyses.
- Success Risks: Identification, Classification and Treatment.
- Recruitment and Lead of Project Staff: Chemists (m/f/d) – Team Players, Pacemakers and Executives in Projects.
- Project Manager (m/f/d): Tasks, Leadership Functions and Personality Profile.
- The Systematic Evaluation of Individual R&D Projects.
- R&D Strategy: The Planning of a Project Portfolio.

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R&D Project Management in the Chemical Industry Balanced, reasonable and with a sense of proportion! "It's not enough to know, you also have to apply it! It's not enough to want, you also have to do it!" According to Johann Wolfgang von Goethe (1749 - 1832)

R&D Project Management in the Chemical Industry

Limits of its Capability (!)

".... and just as little inventions can be compelled through project management itself! ..."

"...**The substitution of the chemistry-idiot by means of the project-idiot** will certainly not be able to remedy the lack of innovation in Germany...."

(Source: Prof. Dr. Axel Kleemann, Nachrichten aus Chemie, Technik und Laboratorium.)

At the End of this Lecture Module: **Key Messages** for You as Future Head of Research Projects (Industry)!

Not solely Visions:	\rightarrow	Brilliant Ideas!
Not solely Intentions:	\rightarrow	Targets!
Not solely Initiatives:	\rightarrow	Projects!
Not solely Meetings:	\rightarrow	Actions!
Not solely Explanations:	\rightarrow	Results!
Not solely Scientific Discoveries:	\rightarrow	Substantial Operating Results!



At the End of this Lecture Module: **Key Messages** for You as Future Head of Research Projects (University)!

Not solely Visions:	\rightarrow	Brilliant Ideas!
Not solely Intentions:	\rightarrow	Research Plans!
Not solely Initiatives:	\rightarrow	Research Projects!
Not solely Discussions:	\rightarrow	Experiments!
Not solely Explanations:	\rightarrow	Results!
Not solely Scientific Findings:	\rightarrow	Publications with "Leverage"!



R&D Project Management in the Chemical Industry

Parts of the subject matter were explained in lectures/ seminars at the following research/innovation centers:



Place	Research / Innovation Center	Calendar Year(s)
Düsseldorf	Max-Planck-Institut für Eisenforschung	1988
Wuppertal	TAW, Technische Akademie Wuppertal	1991-1998
Dresden	Technische Universität Dresden	1992
Bonn	Vereinigte Aluminium-Werke AG, VAW	1993
Erlangen	Friedrich-Alexander-Universität Erlangen-Nürnberg	1994
Potsdam	Max-Planck-Institut für Kolloid- und Grenzflächenforschung	1995
Göttingen	Georg-August-Universität Göttingen	1998, 2002
Freiburg	Albert-Ludwigs-Universität Freiburg	1999, 2003
Kaiserslautern	Technische Universität Kaiserslautern	1999
München	Technische Universität München, TUM	1999
München	Ludwig-Maximilians-Universität München, LMU	1999, 2003
Leipzig	Universität Leipzig	2000
Bonn	Rheinische Friedrich-Wilhelms-Universität Bonn	2000, 2003
Köln	Universität zu Köln	2001
Marburg	Philipps-Universität Marburg	2001, 2003
Kiel	Christian-Albrechts-Universität zu Kiel	2001
Zürich	Eidgenössische Technische Hochschule Zürich, ETH	2002
Bielefeld	Universität Bielefeld	2002
Aachen	Rheinisch-Westfälische Technische Hochschule Aachen, RWTH	2002

R&D Project Management in the Chemical Industry

Parts of the subject matter were explained in lectures/ seminars at the following research/innovation centers:



Place	Research / Innovation Center	Calendar Year(s)
Düsseldorf	Heinrich-Heine-Universität Düsseldorf	2002
Würzburg	Julius-Maximilians-Universität Würzburg	2002, 2006
Cambridge / U. S. A.	Harvard University	2003
Frankfurt/Main	Dechema Gesellschaft für Chemische Technik und Biotechnologie e.V.	1996, 2003
Stuttgart	Max-Planck-Institut für Festkörperforschung	2003
Braunschweig	Technische Universität Braunschweig	2003
Regensburg	Universität Regensburg	2004
Heidelberg	Ruprecht-Karls-Universität Heidelberg, Catalysis Research Laboratory	2004, 2009
Bochum	Ruhr-Universität Bochum	2005
Ulm	Universität Ulm	2005
Wiesbaden	GVC/Dechema Jahrestagung	2005
Gießen	Justus-Liebig-Universität Gießen	2005
Karlsruhe	Universität Karlsruhe (TH), Karlsruher Institut für Technologie, KIT	2005, 2011
Mainz	Johannes Gutenberg-Universität Mainz	2007
Saarbrücken	Universität des Saarlandes	2008
Mülheim/Ruhr	Max-Planck-Institut für Kohlenforschung	2009
Essen	Universität Duisburg-Essen	2009
Münster	Westfälische Wilhelms-Universität Münster	2010, 2011, 2014, 2015, 2018
Rostock	Universität Rostock	2012

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R&D Project Management in the Chemical Industry



Dr. Rainer Buerstinghaus (*1949), Vocational Education and Professional Background

- **1967-1972** Study of Chemistry, Justus Liebig University of Giessen.
- 1972-1975 Doctoral Thesis in Organic Synthesis, Work Group of Prof. Dr. h.c. Dieter Seebach, Doctorate, Dr. rer. nat.
- **1972-1976** Scientific Assistant in the Basic Course "Organic Chemistry" at Justus Liebig University of Gießen.
- 1976-2009 Chemist in the BASF Group. Diverse activities within the research organization and in the HR area.
- 1999-2009 Chairman of the Chapter "Ludwigshafen-Mannheim" of Association of German Chemists, GDCh.
- 1999-2015 Lectureship at University of Heidelberg, Topic: "R&D-Project Management in the Chemical Industry".
- 2005-2020 Preparation and Support of Case Studies on GDCh/JCF-Training (K 414), "Certified Project Manager...".
- 2007-2021 Lectureship in the Study Module "Business Chemistry III, Chemistry and Business Studies", University of Zürich.
- 2010-2018 Lectureship at University of Münster, Topic: "R&D-Project Management in the Chemical Industry".
- 2011-2021 Chemical Expert for the Engineering Office "Schimmelpfennig + Becke GmbH", Münster.

