

Leading supplier of pharmaceutical and personal care products
Protect And Expand

Case Study
Life Sciences & Healthcare

Deregulation in the pharmaceuticals industry means new challenges and new opportunities

Company Name: n/a

Location: Nordic

Sector: Life Sciences & Healthcare

Function: Production, maintenance, Purchasing, HR, R&D, Sales & Marketing

Business Challenges:

Create a new “pull not push” production system to reduce stock levels, increase OTIF and protect market share.

Consulting Services:

Performance Improvement, R&D Optimization, Change Management

Capabilities:

Organizational Effectiveness, Supply Chain, Process Excellence, Innovation (MCRS®, Procurement)

Client Quote:

“It has been amazing to see how much people have developed during this project.” Client’s Top Management

Situation

In 2010, the pharmaceutical sector in the client’s home country was deregulated. It had traditionally had a strong relationship with the state run retail monopoly, so it now faced much greater competition. To overcome this, it needed to become more agile and cost effective, getting new products to the market in the shortest possible time.

Approach & Delivery

As a major supplier to the old monopoly, quality standards at the company were second to none, but there was a missing link between the sales and marketing functions. Celerant’s comprehensive analysis quickly identified key areas for improvement and a Celerant-Client Taskforce began to implement significant organisational and behavioural change.

The supply chain was simplified to create a pull, rather than push, production system to reduce stock levels and OTIF increased to 98%.

Production processes and Maintenance routines were redesigned to fit the new business context and the S&OP team was restructured to ensure plan-stability/attainment, keeping procurement costs down and ensuring better control of suppliers.

Results

Savings of €1.1m have been achieved through workforce rationalisation, procurement cost savings and general operational improvements.

Real behavioural change and a strong culture of ownership has been achieved through a comprehensive MCRS® and Short Interval Controls.

Greater efficiency and effectiveness has been achieved in terms of product demand through changes in R&D: Formulation/Regulation went to Lab and the Project Leader to Sales & Marketing; Planning and Customer Service was integrated with Production, reducing the need for a supply chain function.

Client satisfaction

“Celerant has done a fantastic job. This is our biggest investment ever and I believe we now are prepared to face the future challenges.” Client’s Top Management