

All thoughts must be distilled into action and action that brings results.

A vital component in the fight against AIDS.

Abbott Italia is the sole manufacturer of the active ingredients of an HIV treatment drug. Faced with intense competition from India and China they needed to become more efficient to dramatically increase throughput and serve 2,000,000 patients worldwide.

Healthcare costs are rocketing worldwide and one way to reduce them is through the use of generics. So as a recognised centre of excellence, Abbott Italia was determined that its manufacturing plant would become more efficient to enable it to cut costs and deliver a final product that was competitively priced against competitors who were using cheaper raw materials.

To begin this process, Management decided to perform a LEAN Diagnostic and brought in Celerant Consulting to help drive things forward. The diagnostic covered the entire plant and quickly showed that there were Continuous Improvement opportunities in the areas of Production, Quality and Maintenance.

The opportunities identified were connected to poor visibility of daily and weekly activities, poor communication between the 3 areas,

inconsistent equipment downtime data and analysis, and issues with information being shared too late and in an informal manner. To correct these problems, Celerant recommended implementing their proprietary MCRS®.

Changing the way people think

Celerant's challenge at Abbott Italia was to change the culture and behaviour of a sizeable workforce in a short space of time. To do that, the team needed to install and teach new tools and methodologies to 200+ working 24/7.

The Director of Operations had already stated that he would judge the success of the project by the feedback from his Directors. So it was vital for him to see a real change in the mindset of his people, because that would lead to real KPI improvements.

6 Steps to success

After immersing themselves in the business,

Celerant's experts put together a 6 Step Plan which was then reviewed with the Workstream Leaders, so that they understood it's structure, appreciated it's discipline and recognised the benefits it would bring.

- 1 Definition of the project management structure.
- 2 Definition of team charters.
- 3 Development of SIC and steps to milestones for each Workstream.
- 4 Definition of the communication strategy.
- 5 Training of team members.
- 6 Closework® and tracking of activities to milestones and SIC.

Celerant also provided each Workstream with its own set of goals and employed Closework® to help them achieve success.

Production

- Install an integrated Production MCRS® to manage plant performance against defined operational and financial targets.
- Improve labour productivity through improved

efficiency in daily/weekly planning, active supervision, and process improvements.

Quality

- Improve communication and coordination of activities among QC/IPC, Raw Materials Lab, Production and Receiving to maintain a high customer service in the face of changing volumes.
- Install MCRS®, KPIs, and communication to make the right information available at the right frequency to drive decision making and improvements.

Maintenance

- Improve the integration and effectiveness of their planning and scheduling process in alignment with Production needs to better manage activities and labour productivity

Warehouse

- Improve efficiency to support planning production activities.

Harnessing People Power

The Abbott Italia Workstream Leads and Steering Group were highly educated, very technical people and they had challenged some of the analysis results from the LEAN Diagnostic. So In the beginning, it would be true to say that they were somewhat sceptical of some of the numbers provided and did not have complete trust in Celerant. However, working together on the project and experiencing the benefits of Closework® and Celerant's MCRS® process, they quickly realised the real value of the work and totally committed themselves to the new ways of working. ■

LEANER, FITTER, MORE COMPETITIVE.

- \$356K in savings for 2009 due to MCRS® improvements, plus additional savings from the LEAN Diagnostic
- Enhanced capacity and resource planning on all departments
- Maintenance past due reduction from 280 to 4
- Maintenance schedule compliance greater than 95%
- QA weekly non conformities KPI reduction from 30 to 9

'For me the most crucial thing was to have Celerant help us keep the pace to maintain the direction of the project.'

DIRECTOR OF OPERATIONS

'I owe a lot to Celerant. They showed me how to plan, use the tools, analyse data and how to behave in meetings.'

MAINTENANCE PLANNER