

KAIZEN® FORUM

Information ■ Impulses ■ Ideas



■ Pharmaceutical Industry goes Lean

Operational Excellence is Indispensable

From Eric Decourtye

Historically the Pharmaceutical Industry has concentrated on Research and Development, and Marketing. Manufacturing was regarded as merely complying with regulatory requirements. Moreover, the Pharmaceutical companies believed that Lean principles were not relevant to their environment. Batch reduction, flow optimization, built in quality, set up time reduction and process management were widely used in discrete manufacturing environments, but could not be implemented in a highly regulated process industry, such as the Pharmaceutical Industry.

Most analysts, including ourselves, see the pharmaceutical industry requires a shift in thinking, due to global factors including:

- Increasing buyer driven pressure on pricing
- Increasing variability in demand
- Higher heterogeneity of customer preferences.

In addition, the pharmaceutical industry is a highly capital intensive business in terms of assets, and has a high working capital (WIP and Finished Goods).

Some of the top pharmaceutical companies have started working with the Kaizen Institute to gain a competitive

advantage through their manufacturing process, however the industry is still lagging behind with regard to Lean Thinking.

Our experience in different Pharmaceutical companies worldwide has demonstrated a clear correlation between lean implementation and overall business performance.

The savings achieved are outstanding, and appear to be higher than in other discrete manufacturing industries, such as the car industry.

Quality improvement, better use of assets, optimization of flow, higher flexibility, and a sustainable and efficient continuous improvement strategy are

some of the main points the industry needs to focus on.

Whether the company is research driven, a generics company or a contract manufacturer - KAIZEN works and will improve the behaviours, culture and company revenue.

The KAIZEN Management System model with its various elements, such as Flow Management, Total Productive Maintenance, Quality Control, Service Management, Change Management and KAIZEN Foundation Philosophy offers a perfect fit solution for every company. Furthermore, the International standards in methods and training material allow the approach to be implemented on a global scale. Further Information: www.kaizen.com.

TOPICS

- Operational Excellence is Indispensable
- Successful KAIZEN Rollout on an Entire Site
- Operational Efficiency Critical for Global Survival
- First Special Pharmaceuticals Tour was a Great Success
- Masaaki Imai presents Certificate to Boehringer Ingelheim
- Lean in Healthcare
- Worldwide Service Network is growing
- KAIZEN Manager: Driving Force in the Change Process



■ Pharmaceutical Industry in India

Operational Efficiency Critical for Global Survival

The Indian Pharmaceuticals Industry is entering the Global Generics Market. Contract Manufacturing represents a huge opportunity and J. Murthy, V. Grover, B. Srinivasan and their team from Kaizen Institute India are working with clients from Indian Pharmaceutical Industry to realize this potential. Their initial perception of the industry was that regulatory requirements, compliance and quality were taboo and that operational improvements were believed to compromise quality. Also Operational Excellence and Manufacturing Efficiency were completely non-existent. They were confronted with a lack of flow, long throughput times, unreliable equipment and many kinds of waste. The first, and most important step, was deciding to go the lean

way'. Next they focused on training people and successfully guiding them through their first activities. Their achievements in eliminating waste and creating flow were clearly visible and thus motivated everyone to make further improvements. The challenge now is sustaining this lean

process. The focus is on three essential aspects of manufacturing or service operations: Operating System, Management Infrastructure and Mindsets & Behaviors. The full case study can be downloaded at <http://www.kaizen.com/business-sectors/pharmaceutical-industry>.



■ Sanofi Aventis Deutschland GmbH

KAIZEN Successfully Implemented Across an Entire Site

Sanofi Aventis Group is a leading global pharmaceutical company. The Sanofi Aventis Deutschland GmbH located in Frankfurt, Germany began implementing Kaizen in 2005. The initial pilot in the production area focused on 5S activities. Two years later another 5S pilot was initiated in the office. In November 2007, after impressive results with these pilot schemes, the Management decided to rollout Kaizen across the whole site.

Prior to the introduction of Kaizen activities the plant was in a dubious state: oil coming out of the machines, missing screws, missing grease etc. Through 5S workshops and TPM (Total Productive Maintenance) the plant's performance improved markedly. The main administrative problems were search times, ergonomics, transparency and long lead times. 5S and process mapping addressed these issues, achieving far greater efficiency in the offices. All employees are involved and have contributed many creative, intelligent solutions to improve their working environment. To date over 160 One-Point-Lessons have been generated on a variety of topics including ,changing rooms, pallet wrapping, changing consumables such as tapes, audits ...'. An electronic version of these is also available as a point of

reference allowing everybody to understand what needs to be done to complete basic tasks independently. Dr. Volker Keuth, Leader of the Frankfurt Injection division and the management team believe these activities will provide a solid, long term foundation for the company. The Kaizen activities have significantly reduced costs and management was pleased to discover that Kaizen was also a powerful team building activity – uniting people through the common goal of continually improving. Their conclusion: „For us, Kaizen is the right approach“. The initial external guidance received from Kaizen Institute

was invaluable. Case study download: <http://www.kaizen.com/business-sectors/pharmaceutical-industry>.



Many improvements took place in the office too.



The Production Team from Sanofi Aventis are proud of their achievements

■ Benchmarking

First Special Pharmaceuticals Tour was a Great Success

To see something first hand is far more powerful than any theory. KAIZEN Benchmarking Tours are the best way to learn more about Kaizen Methodology and to experience how a lean company operates. During May 2009 in Germany a premiere took place: the first exclusive pharmaceuticals tour. Three successful companies from the pharmaceutical industry opened their doors to allow participants a glimpse „behind the scenes“ into the production and service sectors. The tour hosted 28 participants from the pharmaceutical industry as well as suppliers, such as packaging companies.

Kaizen Experts Christian Bartholomay and Stefan Lambrecht gave a short introduction to Kaizen Philosophy. The group then visited three companies over two days.

Firstly the tour visited the Merck KGaA in Darmstadt. The participants learnt about practicing Operations Excellence, visualized by the House of Operations, how to analyze and eliminate waste and losses and how to increase OEE. Other subjects discussed included Maintenance Management, Lean Six Sigma practiced at Merck and the approach ‚top down and bottom up‘.

The second day began with a visit to Sanofi Aventis Deutschland GmbH in

Frankfurt. They have introduced Kaizen foundations in manufacturing and administration and also discussed autonomous maintenance. The guests were shown best practice in Kobetsu Kaizen on the shop floor and heard about SMED workshops reducing set-up times by more than 50 %.

The final destination was Boehringer Ingelheim Pharma GmbH in Ingelheim, a „5S Best in Class“ Company. They show-

cased their achievements with Management of Key Performance Measures, Office Kaizen, Total Service Management and Process Mapping in Administration.

The tour received excellent feedback. In particular attendees valued the opportunity to see best practice in situ and sharing experiences informally with colleagues and KAIZEN experts during the journey and joint dinners.



Best Practice was on display for Participants of the Pharmaceuticals Special Benchmarking tour.

■ First 5S Best in Class Company in Pharma Industry

Masaaki Imai presents Certificate to Boehringer Ingelheim

Boehringer Ingelheim is the first Pharmaceuticals Company to receive the ‘5S Best in Class’ Award. The Certificate was presented by Masaaki Imai on March 30, 2009. Initially the company introduced 5S to increase employees’ awareness of process optimization. Masaaki Imai spoke about his enthusiasm for the way employees had embraced the ‚KAIZEN Spirit‘ and the management’s commitment to the process. In his speech ‚KAIZEN – still and continuously burning after 20 years!‘ he stated why it is important to strive for continuous improvement: The focus is on staying competitive in the global market and safeguarding jobs.



■ Canada Offensive with Masaaki Imai

Lean in Healthcare

The Kaizen philosophy is the perfect way to make improvements in every industry and sector. A new initiative in Canada has allowed Masaaki Imai to demonstrate how lean methods apply to the health-care business. The Health Care profession is faced with mounting challenges: cost of materials, staff shortages, increased demand, financial restraints from insurance companies and governments, and increased customer focus. The Kaizen Institute has developed a lean approach specific to the Health Care sector. This can be implemented in hospitals, family practice units, laboratories, medical supply facilities, dental surgeries

and health funds of all sizes. These initiatives are currently being applied across Canada, USA, New Zealand, Australia, India and Europe.



■ Internal News from Kaizen Institute

Worldwide Service Network is growing

Global Companies require globally trained and experienced consultants. Thus KAIZEN Institute ensures international standards in methodology and training are implemented worldwide. We are pleased to announce the latest addition to the Kaizen network with a new branch in Salzburg/Austria, led by

Manfred Pfeiffer. In Spring 2009 the annual global strategic meeting of Kaizen partners took place in Venice/Italy.

Consultants and trainers from all over the world discussed methods and new trends and developed standardized material and approaches.

■ Progress needs Experts

KAIZEN Manager: Driving Force in the Change Process

To sustain success in the change process an organization needs clear goals and a well structured procedure. One key element to achieving progress is the motivation and know-how of all people involved. Therefore experts are required to develop processes, support the introduction of lean methods and coach people. These tasks can all be provided by a Kaizen Manager. KAIZEN College offers a Kaizen Manager qualification program. The program consists of three steps from Kaizen Practioner via Kaizen Coach to Kaizen Manager. The education program has a practical focus and provides a direct benefit to the organization from the outset. Recently, in Germany a new group of Kaizen Managers were certified, one of them with distinction.



New KAIZEN Managers in Germany: Proud of their certification.

College

We train your employees in KAIZEN, TPM, JIT, total service management, value stream design, total flow management. Qualifications available: KAIZEN Practitioner, KAIZEN Coach and KAIZEN Manager.

We offer Benchmarking with world class companies.

More information, schedule and price list available from our service hotline: +41 (0)41 725 42 84,

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