

AstraZeneca *Searching for Operations Excellence!*

In Search of Operations Excellence was the headline and field of discussion at this year's TPM & Lean Annual Forum. The Forum, held at the picturesque Novotel Northbeach Wollongong, provided a particularly unique opportunity to hear and learn from TPM & Lean practitioners from leading sites in Australia and New Zealand.

Happily taking to the stage first (with his self-proclaimed "dodgy Manchester accent") was Mr. Paul Ives. Paul has been at AstraZeneca Australia for over 5 years in various roles. Previously he was a Production Manager for Peugeot Automobiles in the UK before moving to Australia as a Production Manager for Rheem Australia.

Figure 1: Paul Ives presenting at the Forum



Now the **Operational Excellence & Strategy Manager at AstraZeneca**, his focus is on achieving Operations Excellence at the North Ryde site with the help of CTPM's Continuous Improvement Methodology. He spoke to the audience in depth about AstraZeneca's search for Operations Excellence to date.

AstraZeneca is a global pharmaceutical company who in 2013 had total sales of approximately \$26 billion. It is Australia's leading Pharmaceutical manufacturer with around 440 staff on site,

running 24 / 7 with 113 manufactured product lines. Its supply and manufacturing activities adding **\$260,000** in value to the company **every hour of the day**.

Paul stressed the important role of CTPM's Continuous Improvement Methodology, which they began in October 2013, and how it plays a significant part in achieving set goals and maintaining growth and high standards.

"With lots of other pharmaceutical manufactures pulling out of Australia and heading overseas, we're now the largest and supply to 35 markets worldwide." Paul states proudly. *"But what we are really here for are our patients. What we do really makes a difference to people's lives, children's lives."*

AstraZeneca has been on its Lean journey for over 8 years and Paul reflected that it had sometimes felt like they had been *"chasing their tails"* especially with sustaining many of their improvements, although this is not to say that the site had not made improvements over that time. *"The site has increased its output three-fold over ten years, reduced inventory locally here in Australia by approximately \$30m and reduced their turn-around by 50%."*

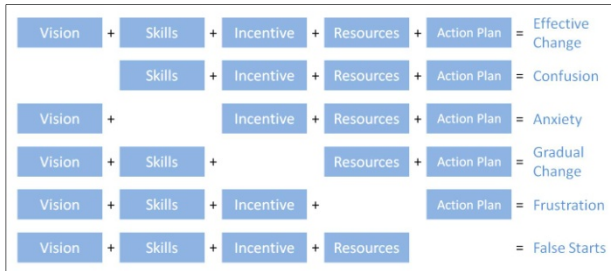
Having been on a journey to Operations Excellence for several years but only recently seeing vast improvements, Paul was faced with questions over *"why had initiatives not sustained in the past?"*

"Were we really sure about what we wanted to do back then and did we know why we wanted to do it? Did we even know how we were going to do it in the first place?"

Reflecting further on these questions, Paul shared his thoughts on what makes effective change on the road to success and in his own opinion, how TPM serves as an excellent purpose for helping overcome the many roadblocks that can interfere

with the progression to Operations Excellence. Paul used Figure 2 below to demonstrate the effectiveness (and conversely, the ineffectiveness) of practical change management.

Figure 2: Effective Change Management



Paul demonstrated the necessity for all five aspects,

"If you're missing Vision, you'll end with Confusion. If you lack Skill, you're left with Anxiety. Also, if you don't have a good Action Plan you'll have lots of False Starts and end up doing the same thing over and over...Basically, Change Management is very hard."

Furthermore, he outlined his Key Steps towards clearing the road for success, as outlined below and explained in further detail.

- **Clear Vision;**
- **Action Plan;**
- **Leadership;**
- **Teamwork;**
- **Positive Working Environment; and**
- **Methodology.**

The first Key Step to be examined is the establishment of a **Clear Vision**. He stressed the need to think a lot about what is important, why it is important and getting everyone and all of their tasks to align to a common goal.

The second step is having good project management methodologies or having a good **Action Plan** and being capable to execute it. *"They say that 10% is the thought around it and 90% of a successful strategy is the execution."*

In order to have a favourable action plan, primed for success, one must be able to answer the following questions:

- What do you want to do?

- Where will you do it?
- Who is going to do it?
- When will you do it by?
- How will you measure success?

The next step that should be addressed for any journey to success is **Leadership**. Strong leadership is critical in creating the clarity of what you want to do, hold-the-line in making the change happen and create the discipline and rigor to make sure that it sustains afterwards.

Following Leadership must come Teamwork, getting the right group of people together (from both a leadership perspective or from a skills and capabilities perspective) to perform the right tasks.

"We're already in quite a good position in line with the Continuous Improvement Methodology, in that we already have a Value Stream aligned team. We have our Maintenance groups, Production groups and Engineering function all reporting into one Value Stream Manager. That gets us in a good position to do things like Area Based Teams moving forward."

A healthy, encouraging and positive **Working Environment** is another key step in Paul's eyes.

*"The more we do TPM, the more we realise it's about **creating an environment where people learn** from their mistakes and encourage learning."*

In a workplace environment where people are berated for small mistakes, progression will be difficult as no-one will want to rise up and step towards new challenges and responsibilities. The key thing is to be able to learn from our mistakes. Having sound and rigorous problem solving, you are able to address root-cause rather than simply addressing the symptoms. Extremely helpful in this regard is having knowledgeable and resourceful coaches who understand the risks and difficulties of what may happen in any given situation and be able to help and provide advice.

*"We believe TPM & Lean is an excellent vehicle and **Methodology** for delivering change. Firstly, it involves all levels and functions...it gives a really good level of appreciation of what other people have to do in their day-to-day job. It allows us to focus on the priorities of the business."*

Paul was more than happy to share just some of the many remarkable results of AstraZeneca's foray into CTPM's Continuous Improvement Methodology and their journey so far:

- Cycle 1 launched in October 2013 as part of North Ryde's Operations Excellence program;
- Currently up to Cycle 3 with 16 teams undertaking an improvement activity so far;
- 20% of the workforce involved in teams; and
- Around 100 personnel completed TPM & Lean training courses with CTPM at various levels.

Figure 3: North Ryde site success to date

	OEE (Site)	Volume (Respules)	Recovery (Site)	Savings (Site)
Realised (current)	27%	3000 units / hour	\$1.2m / year	\$80k

On his final note, Paul reminded the audience that the Continuous Improvement process is all about the people, and that AstraZeneca has found that this aspect alone is most important. It gets people engaged, active and passionate about Operations Excellence.

With the right people in the right position and a strong, clearly defined action plan, you are allowing your business the best chance at achieving your Operations Excellence goal.

In summation Paul states,

*"You can have the smoothest road in the world, the best vehicle in the world but if you don't have the **right people** behind the wheel, you won't get where you want to go."*

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