

Xinqi Pharmaceutical

Creating desire, excitement and improvement

Xinqi Pharma is one of the largest ophthalmic drug manufacturers In China, ranked in the top 3 companies in terms of Market share, with a reported annual turnover of approximately RMB 200 - 300 million.

“We were sceptical at first, but Renoir’s help with our continuous improvement activities and the actual improvements achieved, have surprised us.”

Vice-President Operations

ANALYSIS

Xinqi invited Renoir to conduct an analysis to establish the root causes of inaccurate costing and project and budget overruns. At first glance, their operations seemed efficient, as the plant was equipped with high-end and semi-automated production lines. However, on conclusion of the analysis, Renoir found that despite their technological capabilities, Xinqi Pharma lacked effective management and control systems, production planning and scheduling tools were inefficient and staff morale was low.

PROJECT APPROACH

A Renoir team of four set out to improve the operations of the business by setting up Management Action Teams (MATs), targeting key areas of production and looking at business functions that included ABC costing, equipment maintenance, 5S changes and an overall improvement in behavioural and cultural change.

Initially, the Renoir team was met with resistance, but slowly, engaging our change management methodology and engagement model, we were able to move the Xinqi staff from complacency to having the desire and excitement to improve their business and the way of working.

IMPLEMENTATION

The implementation of the project saw Renoir facilitating management and staff training in areas such as skills, effective communication, time management, development of resource planning and project management tools. The project saw the originally resistant Xinqi pharma staff, transition to a new sense of ownership and actively participate in the identifying of issues and their resolutions. Together, Xinqi Pharma and Renoir implemented the ABC system, giving them more transparency across their reporting. By enhancing the transparency of reporting functions, Xinqi Pharma was able to gain a better understanding of direct costs and indirect costs, allowing them to tighten cost control measures and experience an increased level of departmental budgets.

Renoir was given a follow-up engagement to assist with optimising and improving their advanced technical capabilities.

RESULTS

Following are some of the key results achieved:

- Best batch production (daily volume) increased by 20%
- Productivity increased from 91% to 97%
- Equipment downtime reduced by 42%
- Timeliness of procurement from 64% to 100%
- Inventory reduction of RMB 1.8 Million

Key Results

Productivity improvements
from 91% to 97%

Reduced equipment
downtime by 42%

Supplier delivery timeliness
from 65% to 99%

Optimum batch production
improvement of 20%

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- Test, install and implement the newly agreed MCS, nationwide, including a branding mechanism with transparent planning and reporting across all regions to allow for targeted marketing activities to improve visibility.
- Develop GTM Service Level Agreements (SLAs) and enhancing time to market delivery while ensuring effective communication between Sales & Trade (Dealer Engagement, Distributors and Blue Cubes) as well as Regional teams for business performance improvement.

Studies were conducted on existing GTM Sales Processes and its MCS during the Focus Process™. Key stakeholders were engaged during this stage to ensure understanding of the available opportunities within the GTM Sales Process and its MCS.

PROJECT APPROACH

The studies revealed a number of mandatories to reach the Project objectives:

- Ensure that all products and devices are available at the outlets on or before launch date
- Ensure that all relevant personnel (Internal staff and Dealers) are trained before launch date
- Ensure that Point of Sale Materials (POSM) are made available at outlets on or before launch date
- Set formal SLAs or Operational Level Agreements
- Eliminate redundant steps in the process which cause unnecessary delay
- Establish one person to monitor all GTM Sales related activities to ensure timely compliance and escalate any possible delays
- Create a forum for all departments related to GTM Sales to meet and update their individual status and issues faced

A base was established for the number of days taken, for three main launches, from historical records and informal SLAs, as detailed below:

- Major launches: 135 working days
- Moderate launches: 55 days
- Minor launches: no proper records

THE RENOIR GROUP

Renoir Consulting is a world leader in sustainable, implemented change. Founded in 1994, Renoir has offices located in North and South America, UK, Europe, Turkey, Middle East, Southern Africa, India, Pakistan, China, South East Asia and Australasia. With over 350 fully employed and highly trained consultants, their work across a wide range of industry sectors gives them a broader perspective of the issues facing your business, allowing them to be sensitive to your unique challenges, culture and specific business issues. This cross-pollination ensures truly effective, rapid and sustainable solutions.

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