

# BUSINESS STRATEGY

## *Manufacturing Network Restructuring – The Case Study*

### **The Customer**

A multi-billion dollar pharmaceutical company with manufacturing, research, and administration facilities around the world.

### **The Situation**

As part of an internal initiative, the customer realized that their global network of manufacturing plants was being underutilized and that in order to improve overall financial performance, a rationalization of these facilities would need to occur. A subsequent merger added new complexity to the equation and in order to achieve efficiencies expected by the financial investment markets, this effort had to be expanded to include the combined global manufacturing network and needed to be completed within the timeframe of the original schedule. The successful outcome was vital to preserving shareholder and company value.

### **The Strategy**

This complex initiative required a dedicated project team to interface with the various manufacturing plants, gather and analyze required data, provide recommendations to executive management, and ultimately manage the transfer of product manufacturing activities between sites.

The initiative would require an enormous amount of planning, strong processes and procedures, detailed integrated schedules, and robust data and reporting tools as well as close coordination to ensure uninterrupted supply of product to the global marketplace.

### **The Results**

Impact Management Services was engaged to provide leadership to the project team and to work closely with the President of Global Manufacturing and his executive team in supporting the completion of this important initiative and in accomplishing the following:

- Developing a comprehensive network restructuring plan based on objective criteria that resulted in \$2.5 Billion annual savings to

the company due to closing or selling underutilized plants.

- Exceeding savings targets established by the Board of Directors by 5% and delivering these savings ahead of schedule.
- Establishing formal processes for determining how future manufacturing needs would be assigned to existing plants to ensure that products are developed as cost-effectively as possible.
- Establishing specific transition plans for the closing of individual plants that address the operational, human resources, capital, political, and other impacts resulting from the closing of these plants.
- Establishing appropriate key metrics and reporting capabilities to ensure that the overall rationalization schedule could be effectively managed and the full savings benefit realized by the company.

### **The Impact Advantage®**

Impact Management Services was integral to the design, implementation, and execution of the programs deployed in support of this key strategic business initiative. Our thorough knowledge of the industry, knowledge of core business processes and deployment of our tools and our programs, allowed for rapid deployment, reliable implementation, and predictable results.

Impact Management Services has the expertise and experience to support a wide range of project types in a wide variety of ways from designing new project management systems, to auditing of existing project activities already underway, to consulting services on any and all aspects of the project management process. Our services are provided by seasoned professionals with practical industry experience, including pharmaceutical, and are designed to ensure the ultimate success of your business strategy.

