

April 2008 - Pharmaceutical Press

Prepared for Pharmaceutical Marketing

Changing Time In Changing Times

The pharmaceuticals industry has historically been profitable, enjoying global sales in the hundreds of billions of dollars and double digit growth year on year. However, in 2006 growth for the industry dropped below ten per cent for the first time, and at the same time some of the world's leading blockbuster drugs were coming to the end of their patent protection. Government and health services were also putting pressure on the industry to cut the cost of their products - all of which was eating into profits. To address this, many pharmaceutical businesses are looking at ways of improving efficiency and in particular looking at their working time arrangements and shift patterns.

Kevin White, managing director of Working Time Solutions and a specialist in working time change, has worked with a number of pharmaceutical manufacturers to implement innovative shift patterns and workforce management software tools. Here he outlines the benefits the industry can enjoy by looking at its labour planning and management practises.

Kevin explains: "In a market that was often unconcerned about costs because of high profitability, many companies have now recognised that to remain competitive in the future there is a need to reduce costs and improve efficiency."

"Perhaps the most efficient and cost effective way of doing this is a review of how a manufacturing facility reacts to its demand for labour and how that supply of labour is managed. A change to shift patterns, for example moving from a 24/7 arrangement to a 24/5 or 24/6 shift pattern can have highly positive effects.

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of Working Time Solutions Ltd.

“Some of the sites we have been working on were running to a 24/7 shift pattern, which is a very costly one. However, the cost was offset by the demand for labour required by the plant. Now that this demand for labour within the industry has stabilised, we need to look at alternative ways of operating and the key to designing effective systems is the identification and understanding of the profile of demand. This means that before any working time change project is launched all the options need to be considered.

“Many companies can find this overwhelming. They see it as too difficult to implement, or don't quite understand their demand and how to get the workforce to buy-in to working time change. This is where taking professional advice can make all the difference, both in how you design and implement any workforce management systems, as well as how you engage with your staff.

“The first benefit of implementing a programme of working time change is that it can reduce wasted labour. When demand for labour and profit levels are high, 24/7 shift patterns are fine. However, once the demand for labour drops, this can become a very inefficient and costly way of managing the workforce as labour is wasted. Moving to an alternative demand related shift pattern can remove this wastage, thus reducing costs and improving efficiency.

“It also makes for more productive shifts. Staff face less consecutive time in the workplace and stay motivated longer. This has many positive implications for quality control, something that is particularly important in the pharmaceutical industry. In a 24/7 shift pattern with 12 hour individual shifts aspects such as the quality of visual inspection can drop off drastically.

“The second benefit that working time change can have is that a company can become far less reliant on contractors or temporary workers. The combination of good labour forecasting and effective management tools means that management has a much clearer picture of when the demand for labour is high, and when it is not, and this can be factored in to the shift pattern design and dealt with through core workforce.

“Contractors tend to be more expensive than permanent employees, may require training for the individual site they are working on, which can be time consuming, and quite often produce work of a lower quality than a full time employee.

“Similarly, shift pattern change reduces an organisation’s dependency on overtime, again bringing with it a significant reduction in cost and an increase in productivity. Overtime dependence is expensive and can lead to poor working practices as motivation relates to hours in the workplace rather than productivity and output.

“There are some considerations that are unique to the pharmaceutical industry that need to be taken into consideration when creating new working time structures. For instance, there is often a lead-time between one pharma process to another. This offset needs to be accommodated in a formal manner and may entail the earlier release of the primary process operators at the end of the shift which can save time.

“In general, pharma production entails two groupings of activity; manufacturing and filling, and inspection and packaging. Clearly, sterile conditions are of vital importance in most process, and “clean room” conditions are quite common.

“In many manufacturing instances there is a need for the operatives to “gown” before and after each shift and in a working time context, this means provision has to be made to enable staff to gown-up and hand-over work at the start of each shift. This could take anything up to 15 minutes and you could argue that it is a little unfair to expect staff

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of Working Time Solutions Ltd.

members to give this time on an informal unpaid basis so it needs to be factored in to shift patterns.

“This situation is even more crucial where gowning for clean room conditions is needed. In such instances 30 minutes or so may be required, and consideration has to be given as to whether this will need to be built into the overall contractual attendance hours.

“There is also a very real risk that should certain processes in the manufacturing phase be left unattended in a fallow period between the departure of one shift and the arrival of the next, the batch of product may be compromised and lost, in this situation contiguous shifts and effective handover may be of vital importance to avert such risk.

“In addition, many processes in manufacturing and filling will need to be manned on a continuous basis for the duration of the economical batch size whereas inspection and packing could be staffed for on a non-continuous basis. This has to be considered when looking at implementing a working time change, one size does not always fit all!”

One company which has recently gone through this process and launched a new working time structure for its employees is GlaxoSmithKline. Kevin continues:

“Working very closely with GSK, we helped develop and implement a new set of shift patterns with in-built flexibility that benefits both employer and employee alike. Employees are able to move working hours to fit in with child care etc while the employer has the flexibility to get staff to work extra or less hours when needed. The new shifts also include time for maintenance and training in the rosters - all of which was negotiated and agreed with the trade unions.”

Jim Soulsby, the project manager for GlaxoSmithKline continues: “To implement working time change is not easy and therefore it's essential it's done for a legitimate

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of Working Time Solutions Ltd.

reason that you can articulate to those affected by the change. We knew that it was going to take a lot of hard work and careful negotiation to make the changes and we needed staff to appreciate why it was so important to the future success of the Site."

The change process began with GSK setting up a working party in September 2007 and the new working patterns came into effect in on the 3rd of March this year.

"The working party was vital," adds Jim. "Everyone on the team understood the business requirements and helped us gather data on the way we operated. This allowed us, with the aid of Working Time Solutions, to benchmark our working arrangements with those of other companies.

"The working party approach also allowed us to regularly consult with staff to get a detailed insight into their concerns. Working Time Solutions helped us come up with a range of shift patterns, as well as a process of evaluating them against our business objectives."

"It was a pressurised but satisfying piece of work" concludes Jim. "But we now have flexible shift patterns that allow us to match the supply of labour to our volatile customer demand whenever we need to. The HR team worked particularly hard during the process and I can't stress enough the importance of communication when undertaking a project such as this. It's also an emotional task as you may be asking people to change their social, domestic and financial circumstances. However, if you communicate what you are trying to achieve and why, it's a lot easier to get buy-in & make progress.

"We believe that with Working Time Solutions support we were able to reach the prize

we were after. Streamlining the shift patterns at Ware will improve efficiency, significantly reduce costs & ultimately make the plant a competitive, dynamic operation. The flexibility features included will put the Site in a good position for many years to come.”

Ends

All rights reserved. No part of this publication may be reproduced, stored in a retrieval system or transmitted in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of Working Time Solutions Ltd.

© Working Time Solutions Ltd. 2006

Working Time Solutions Limited, 208 Middleton Road, Manchester M8 4NA

Telephone: 0161 720 5050 Facsimile: 0161 795 4097 Email: events@workingtime-solutions.com www.workingtime-solutions.com

Registered Office: 1-3 St Mary's Place, Bury, Lancashire, BL9 0DZ Registered in England No. 4171559 VAT Reg Number 727 0867 18