



PHARMACOLOGICAL ACTION

As one of the largest and most modern pharmaceutical plants in Europe, Polpharma specialises in manufacturing both generic and over-the-counter cardiological, gastrological and neurological drugs. Founded in 1935, Polpharma combines tradition and experience with modern technology and the highest manufacturing standards.



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- *Future investment costs of more than €950 000 were averted*
- *It's anticipated that once the company's WCM implementation reaches maturity, it will up its production volume by 50-70 million packages a year*



After years of nationalisation, a milestone in the company's history was its privatisation in 2000, funded solely through Polish capital. Privatisation gave the green light for thorough changes, which turned Polpharma into a strong business and the top player in the Polish pharmaceutical market. Together with the Medana Pharma Terpol Group, in which Polpharma is a majority shareholder, it's the Polish market leader by volume of drug packages sold. Reinforcing its position in international markets, the company has representative offices in Russia, Lithuania, Kazakhstan, Belarus, Vietnam and the Ukraine.

Competition in the generics market, particularly in Central and Eastern Europe, is robust. One of the main drivers for WCM implementation was the potential threat from competitors overtaking Polpharma's generics market share - thus there was a need for improved flexibility. Since flexibility could be a growth-limiting factor, it could be addressed either via new capital investment or improving inherent process flexibility.

Pilot area

Direct goals of the WCM implementation was to lower manufacturing cost and active ingredient losses, shorten changeover times and increase flexibility in response to market needs, without upping stock levels.

Following a steering committee workshop in July 2005, part of the Dry Forms section was identified as the pilot area, as bottlenecks usually were encountered with the three granulation lines and, to a lesser extent, packaging. Stage 1 of the rollout embraced the TRACC Best Practices of Teamwork, VPM, Focused Improvement and 5S, supported by Set-up Time Reduction Blitz exercises in the pilot area. This was followed by broadening implementation and rollout to other parts of the company in Stage 2 - the remaining sections of Dry Forms, as well as the Wet Forms and Infusions departments.

Problem areas identified on these lines included a systemic lack of treated water for washing on the granulation side, as well as complex and extensive changeovers for packaging, often causing prolonged stoppages. Three line operator teams were assigned to the granulation and packaging lines while profit improvement projects (PPZs) were introduced simultaneously.

A structural analysis approach was followed with the emphasis on shortening washing time (changeover) of the granulation lines, as well as curbing changeover on the packaging lines. The immediate results were

impressive - washing time dropped from 14.7 to 8.7 hours, while packaging posted a similar improvement after a SMED blitz with changeover time dropping from 11 to 6 hours.

Direct savings

But results in the pilot area were most inspiring in terms of financial gains - direct cost savings amounted to €150 000 pa of which €110 000 was due to yield improvement alone. Future investment costs of €968 000 also were averted.

To support production improvements, Polpharma requested additional support via a supply chain project. It was aimed at limiting stock levels and improving warehouse service flexibility, which resulted in better planning and delivery capability. Elements of TRACC foundation practices also have been rolled out to warehousing to improve communication and cooperation through Teamwork, order and organisation through 5S and stimulate better support for production departments through VPM.

It's anticipated that once the company's WCM implementation reaches maturity, it will up its production volume by 50-70 million packages a year. The aim also is to increase the number of key brands from the current 10 to between 20 and 30.

Recently, Polpharma became a member of the Gideon Richter Group, controlling local divisions. Since the results have been sustained and proved to be essential for company success, Polpharma has requested WCM support on its new sites.

