

Best Practice

India Regional Service Centre – Success story



Background

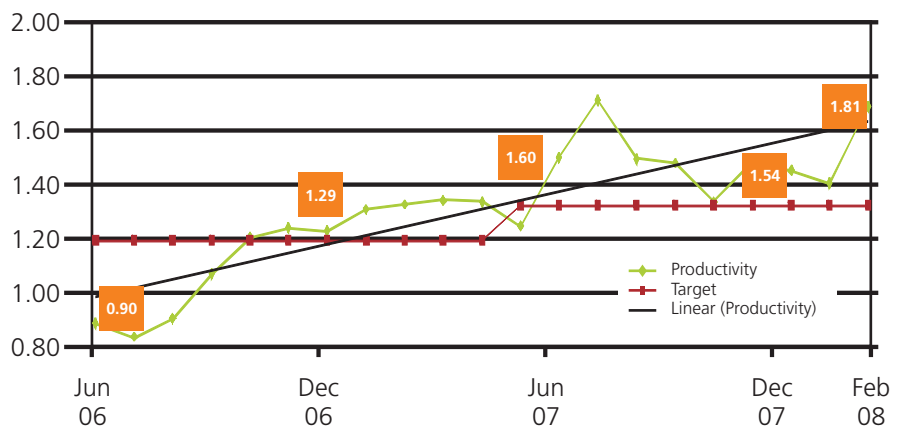
The output of the processes at the India Regional Service Centre (RSC) of one of the world's biggest pharmaceutical manufacturing companies (hereinafter referred to as 'the client') is an Artwork (AW). Artwork creation involves changes to contents or formats of printed text on label, foil, carton, leaflet or tube of a pharmaceutical product. The three most important entities are:

- AWO (Artwork Operator): Creates Artwork
- PR (Proof Reader): Does a quality check (QC) on Artwork
- PCA (Pack Change Analyst): Coordinates with the end customer

The engagement went live in March 2005 and has ramped up significantly to 93 Associates in 2007. Key highlights of the journey we traversed:

- 2005: Ramp-ups, cutting over of sites and learning from other RSCs, establishing MIS for the process
- 2006: A turnaround for the client's RSC - process improvements, effective QMS implementation and extensive deployment of Six Sigma. The mantra was to set a benchmark and exceed the same
- 2007: Make sure that process improvement projects are completed and performance for RSCI improves month-on-month in terms of RFT and Productivity

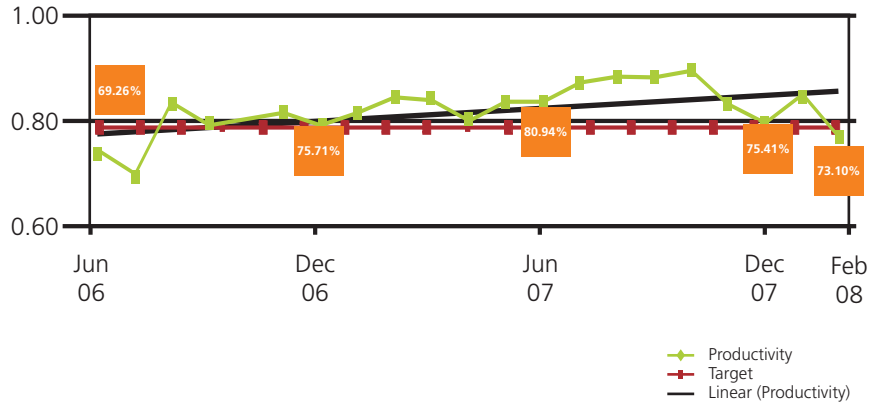
Year of performance – Productivity target 1.40 Artworks Artwork Productivity Trend



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Our customer's Global Pack Management (GPM) has its Regional Service Centre (RSC) in India for which services are delivered by Mahindra Satyam BPO.

**Year of performance – RFT target 75 %
Artwork RFT Trend**

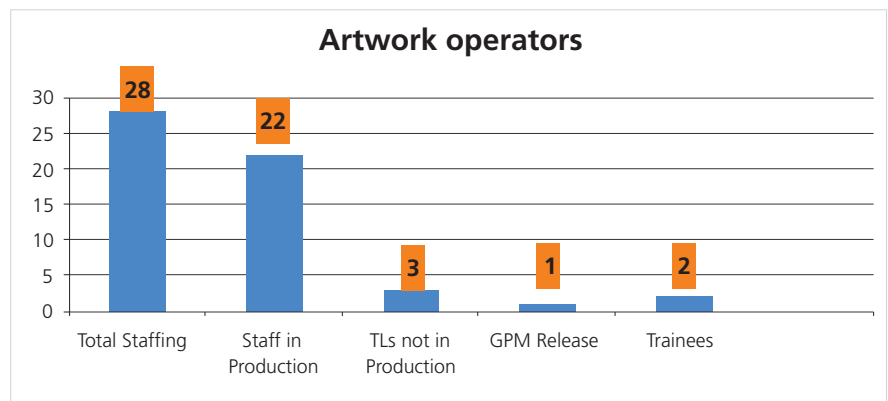
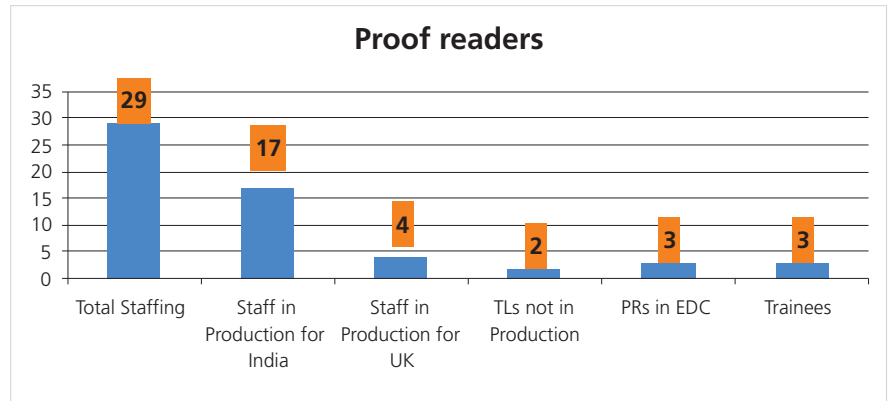


Hurdles faced

- Productivity of Associates in training
- Slow network
- Attrition
- Stationery cost

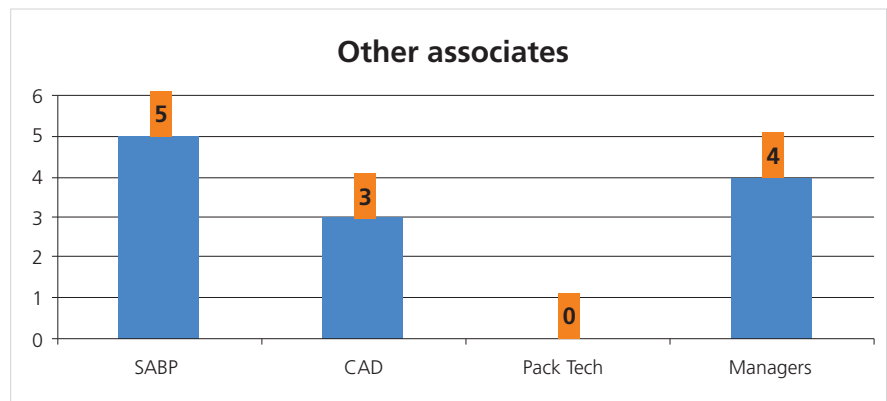
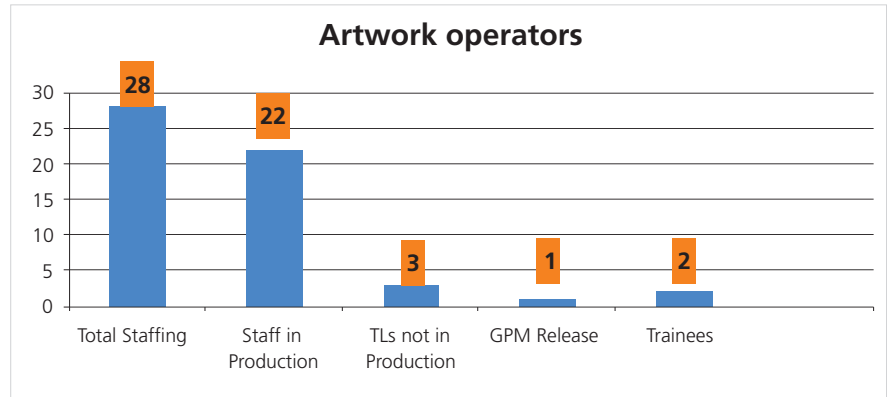
Overcoming the hurdles

Productivity of associates in training



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With more staff getting into production, the workload came down by more than 75% and was consistently maintained in proofreading. The rollout of the new training plan as a result of the baseline activity brought down the learning curve by 50% for the artwork and proofreading teams.



Slow network

The impact of latency was thoroughly evaluated during the course of the baseline event conducted with the help of the Master Black Belts from the customer in November 2007. The current impact is about 1 hour/artwork; given the size of the team in India, this has a significant impact on overall productivity. A B2B link from Mahindra Satyam BPO to the customer (which will have a positive impact on the operation) was discussed and the customer is now working on the same.

Attrition

- Attrition was at an all-time high with Associates being poached by offering higher salaries. We ended the year at 30% attrition. Keeping in mind the same, we adopted the following practices:
- Recruitment of 15 FTEs as buffer resources within artwork and proofreading teams to help mitigate risks
- Mid-term salary corrections for all high-performing and tenured associates
- Sharing of onsite opportunities that currently exist in GPM
- Staggering the training for artwork operators and proof readers on overall process competency over a 12-18 month period
- The introduction of a Buddy Program to help mentor and coach critical and tenured associates with a perspective revolving around career development

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Measure description

Stationery Cost

Before project

Rs. 108.20 per unit per quarter

After project

Rs 69.50 per unit per quarter

Stationery cost in the process

At the time of Green Belt project initiation, the expenses incurred as a result of stationery costs were INR 108.20 per unit of work (Jul-Sep 06). By the application of Six Sigma approach, root causes were identified with brainstorming sessions amongst project team members and SMEs. Improvement actions were chalked out and implemented within agreed timelines. As a result of this project, the team was able to reduce costs by more than 20% for two quarters (Jan-Mar 07 and Apr-Jun 07) consistently. This enabled the engagement save approx. INR 5,71,212 per annum which translates to approx. 4 FTE costs.

Reviews undertaken

- Quality Meeting (monthly) along with the Operations Manager and respective department leads
- Monthly Quality Council meeting along with the QA lead (client) to understand how RSC India is performing on quality related metrics
- Monthly charter with Sites and Market to review past month's performance
- Monthly Operations review along with COO
- Weekly Cross RSC reviews to understand best practices across the channel
- Baseline event – Conducted by customer

Tools used

- MS Access: As volumes are huge with no automated MIS provided by the customer, we have initiated usage of MS Access-based MIS to track our daily data
- GMD 2: On the line of Pentium processors, the customer launched its faster build of Machines known as GMD 2 with enhanced features

Other successful SLA Management practices

- Team huddles
- Production planning to ensure day to day forecasting and priority planning
- Communication plan to ensure sharing of inter-department messages
- Incorporating best practices from other Regional Service Centres

Vision 2008 – Key focus areas

- Achieve the team goal - To be the Best Performing Regional Service Centre for the customer's GPM for 2008
- Exceed all SLAs on a consistent basis
- Help improve and innovate consistently and share the successes with the customer
- Maintain Customer Satisfaction at $\geq 85\%$ consistently
- Optimize business opportunities by working closely with the customer and BSG team
- Participate actively in Foresight forums
- Improve ADI within the process
- Provide better learning opportunities

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About the Customer

The customer organization's mission is to improve the quality of human life by enabling people to do more, feel better and live longer. This mission gives the customer a purpose to develop innovative medicines and products that help millions around the world.

Our customer is one of the few pharmaceutical companies researching both medicines and vaccines for the World Health Organization's three priority diseases – HIV/AIDS, tuberculosis and malaria, and is very proud to have developed some of the leading global medicines in these fields.

Headquartered in the UK and with operations based in the US, our customer is one of the industry leaders, with an estimated 7% of the world's pharmaceutical market.

For further information please write to Connect@mahindrasatyambpo.com and rfi@mahindrasatyam.net.