

Success Story: Maximizing Return on Technology Investment

Client Challenge

- The client, a \$9 billion pharmaceutical company had made a huge technology investment in distribution operations which were generating less than 50% of expected results
- The facility had inefficient work flow processes and low employee productivity levels
- Fluctuating work flow levels did not match the inflexible workforce scheduling and deployment approach
- Strained union/management relations created an atmosphere of mistrust
- Management believed that a gainsharing plan would solve the problem and requested its design and implementation

Our Solution

- Analyzed work processes at the facility to identify productivity improvement opportunities
- Convinced management that it's desired approach (implementing a gainsharing plan) would be ineffective. A group incentive would not address the poor alignment of work and employees and the relatively high labor cost per unit
- Offered an early retirement package to reduce the full time workforce and replace those positions with part-time employees on flexible work schedules
- Redesigned how teams were deployed to work stations and revised staffing schedules to match with weekly and monthly work load fluctuations
- Increased individual and team performance accountability by establishing a new productivity metric at the team level

Impact

- Despite management's concerns about RIF affordability, realized 300% ROI by second year via reduced cost per case, increased throughput, and higher productivity
- Full-time workforce reduced by 27%
- Avoided the unnecessary cost and damaged credibility that would have resulted from implementing a group incentive when the real issue was work flow and high labor costs

Execute for Impact