

Case study

Glaxo Wellcome

Fighting disease
and improving health

accenture

Innovation delivered.

Pharmaceuticals & Medical Products



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Fighting disease

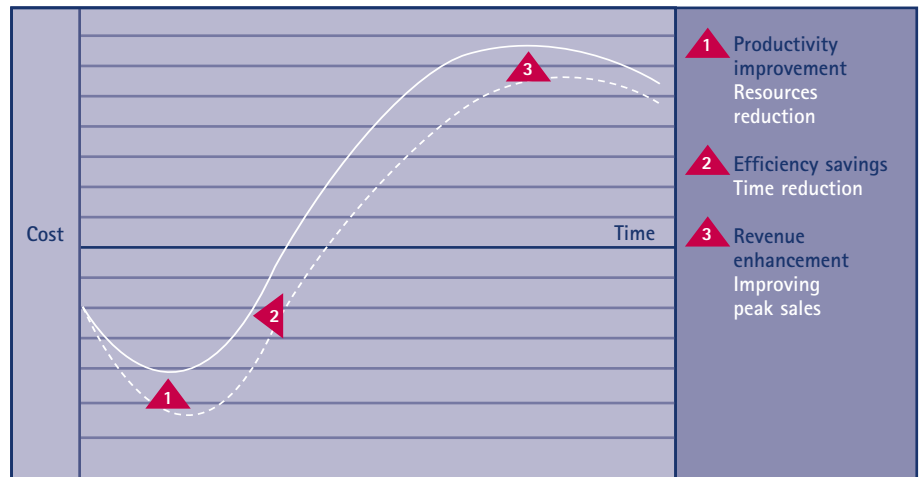
“Glaxo Wellcome is a research-based company whose people are committed to fighting disease by bringing innovative medicines and services to patients throughout the world and to healthcare providers who serve them.” Glaxo Wellcome corporate mission statement

Glaxo Wellcome is one of the world's largest pharmaceutical companies. With 54,000 employees in 76 operating companies supplying 150 markets, it generated global sales of £7.9bn in 1997, giving a 4.7% share of the highly fragmented global pharmaceutical market. Glaxo Wellcome is a leader in respiratory, antiviral and central nervous system treatments.

As a dominant player, the company is under enormous pressure not just to sustain its performance but to maintain its year on year growth. To fulfil these expectations it must continue to deliver a steady stream of major new drugs at a time when key trends in the industry only serve to add to the burden. In particular, increasing complexity and regulation, combined with a growing market emphasis on reduced prices and increased value for money, have focused attention on the rapidly rising costs and lengthening timescales of clinical trials.

Figure 01
Capacity and cycle time goals

In 1995, at the time of the merger between Glaxo and Wellcome, Zantac and Zovirax accounted for 40% of the new company's sales. In May 1996, with Zantac soon to come off patent, Glaxo Wellcome asked Accenture to assist both in addressing the need for change and in continuing to build sustainable competitive advantage by improving Clinical Development capability and processes. The result of this partnership has been the Clinical Process Redesign initiative which, in the year 2000, is expected to increase its capacity to conduct trials on potential new drugs by 50% and reduce the time required for such trials by a third. This will amount to a twofold increase in Glaxo Wellcome's ability to test new drugs. As a result, it will significantly impact the company's ability to respond to the requirements of an increasingly complex disease treatment and healthcare environment and hence more rapidly to meet the growing and changing needs of patients worldwide. As outlined in the following pages, the work conducted to date is creating significant value for Glaxo Wellcome's business with a high impact on both speed and capacity for the whole organization.

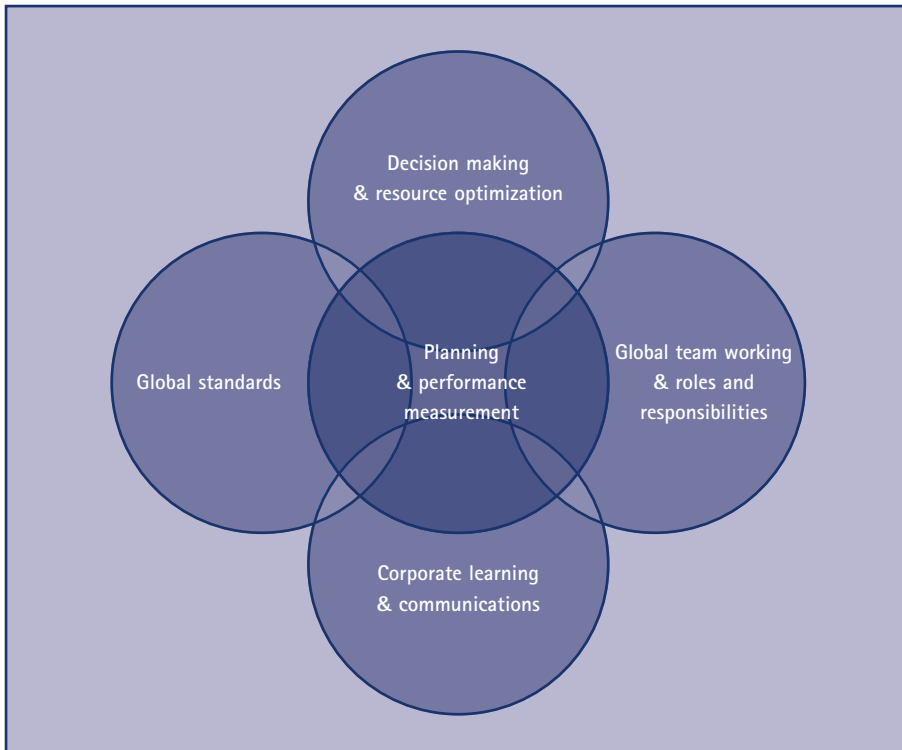


The business challenge

Most of the world's major pharmaceutical companies are fundamentally re-examining their Research & Development processes and Glaxo Wellcome, with an annual Research & Development spend of £1.2 billion, is no exception. When Glaxo acquired Wellcome plc in March 1995, differences between the two organizations' distinctive cultures and, specifically, between their Clinical Trials processes soon became apparent. Early in 1996, the new company evaluated fully its ambitious goal of becoming a premier R&D organization and identified the Drug Development process, and Clinical Trials in particular, as critical to its success. This strategy was developed against the backdrop of an underlying requirement to increase operational performance in order to cope with 20 new compounds from exploratory research each year. This, it was anticipated, would lead to the launch of three significant new medicines annually from the year 2000.

The Clinical Process Redesign project was designed to respond to these needs, improving the company's drug development processes and hence enabling it to achieve its overall business objectives. Existing business processes might have been able to deliver the three significant new medicines per year, but the Glaxo Wellcome management team recognized that capacity and cycle times would have to change to accommodate this goal. (Figure 01)

Figure 02
Five improvement areas



How Accenture helped

From May 1996, Accenture assisted Glaxo Wellcome with Clinical Process Redesign. Joint Glaxo Wellcome and Accenture teams worked together to create new insights and innovations. The Glaxo Wellcome team members' pharmaceutical expertise and internal people networks have been

complemented by the Accenture personnel's overall project management and co-ordinated solution development. Accenture also supplemented key skills in metrics, communications and change management.

The Clinical Process Redesign project itself comprized four distinct phases – Diagnosis, Solution Development, Implementation and Consolidation.

Phase 01 – diagnosis

The project began with an extensive consultation exercise based on face to face interviews and workshops embracing the whole Development Process. This Diagnostic Phase showed that different parts of Glaxo Wellcome approached clinical trials in very different ways. Major differences in working practices, procedures and approaches were identified both between previous Glaxo and Wellcome people and between the US and the UK. Similarly, differences emerged between operating companies, therapeutic areas, project teams and, of course, individuals. Not only did these differences result in inefficiencies, but they also reduced the level of understanding between the various departments within the company. This analysis led to the definition of five groups which offered significant opportunities for improvement.

(Figure 02)

This first phase clarified the challenges facing Glaxo Wellcome and revealed the opportunity that existed to improve cycle time, planning and productivity and the effectiveness of Research & Development expenditure and decision making. It also revealed, however, that the scale on which change needed to take place was huge. "I was asked to take over the leadership of the project after the diagnostic phase," explained Clinical Process Redesign Director, Dr Trevor Gibbs. "I was keen to deal with the short term issues, but to do so in the context of a long term implementable five year vision of Medical Development."

The secondment of an executive as senior as Dr Trevor Gibbs to lead the project was significant since it signaled top management's commitment to the project.

To that end the project was split into two main workstreams, Medical Process Redesign and New Paradigm. Medical Process Redesign's aim was to improve existing processes and hence eliminate the potential shortfall in new products, while at the same time doubling productivity and efficiency in the medium term. The intention was to achieve these goals by removing 'today's operational irritants', by re-engineering processes, improving planning and allocating resources within Development to facilitate more effective management of clinical trials.

New Paradigm, by contrast, aimed to look three to five years into the future to create new growth opportunities. Focusing on the future, its role, in the words of the New Paradigm Mission Statement, was "to create a new paradigm for medical development, ensuring that the organization and each individual achieve their full potential." These workstreams were underpinned by a 'Metrics' team and a 'Change Management and Communications' team.

The Diagnosis Phase culminated in the identification of a series of specific objectives for the Core Process Redesign initiative:

- to create a new paradigm for medical development;
- to eradicate the 'operational irritations of today';
- to implement organization-wide standards and metrics;
- to channel employees' creativity;
- to align with customer needs.

Phase 02 – solution development

For the Medical Process Redesign workstream, the challenge for the second phase was to find solutions in those areas identified in the diagnostic phase, while keeping a close eye on the core drivers of the project – improving customer focus and increasing credibility, efficiency and productivity. This solution development phase involved joint teams from Glaxo Wellcome and Accenture, each targeted at designing appropriate solutions for their specific areas of focus.

Within these workstreams, teams addressed specific topics such as Planning, Clinical Trial Supplies, Study Conduct, Document Development, Electronic Data Capture, Data Standards, Operating Companies and International Medical Finance. Each team interviewed staff, held workshops and reviewed operating procedures and best practice to create innovative approaches that would give the company competitive edge. These potential solutions were tested and validated across functions and geographies throughout the organization.

At the same time the Metrics team was developing new approaches to measuring and targeting the Clinical Trials process, while the Communication team tackled the strategic aspects of involving and informing staff during the program. In all some 42 groups of solutions were developed by the re-design teams and subsequently brought together in a single proposal for implementation.

"We knew, following the merger, that if we were going to get the best out of both organizations we had to create a new way of working that was Glaxo Wellcome, rather than Glaxo or Wellcome," explained Senior Vice President and Director, Group Medical, Regulatory and Product Strategy, Dr James Palmer. "The strength of Medical Process Redesign was in the unfailing focus on the implementation of this new way. We created practical solutions that could provide real benefits and delivered them into the business in a timescale no one has achieved before."

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Meanwhile, to achieve the overall corporate objectives, the long term strategic project was initiated – the 'New Paradigm' itself – tasked with embodying Glaxo Wellcome's beliefs about the source of long term competitive advantage. The New Paradigm team worked closely with the Medical Process Redesign team to ensure that the latter's medium term solutions were compatible with its longer term solutions. In this way the Medical Process Redesign work secured the foundations on which the New Paradigm solutions could subsequently be implemented.

Phase 03 – implementation

While establishing the solutions was certainly a key stage in progressing the Medical Process Redesign and Metrics aspects of the Clinical Process Redesign program, the method and style of implementing those solutions was, arguably, the most critical aspect of the entire project. Many change initiatives had previously developed solutions, but the complexity and sheer magnitude of the organization had prevented earlier projects from actually implementing them. With 7,000 people in 56 different roles requiring training on 42 different solutions in two centers and 24 operating companies, the task was immense.

To overcome these barriers, a clear organizational framework was developed. This comprised a matrix of, on the one hand, solution delivery teams responsible for detailed content and, on the other, geographic teams responsible for local results. At times over 150 people were involved in these efforts.

A number of tools were also adopted to cover the communications aspects of the Medical Process Redesign solutions. One such tool was 'The Model Office', a central point at the company's principal offices which was designed to raise the profile of Clinical Process Redesign and facilitate ad hoc training and awareness sessions. This was supported by Help Desk phone lines, set up simultaneously in the UK and US. In addition an implementation 'network' of Operating Company Implementation Leaders was set up to manage the roll-out to the

regions. From the outset, explaining the 'why' elements of the changes being implemented was seen as being as imperative as communicating the 'how' and the 'when'. Tools were developed to target solutions and training at individual members of staff to ensure that people understood the detail of their new roles or skills. In addition, an electronic document library was made available in 26 countries to provide access to over 100 critical documents describing the new ways of working.

Regular updates, weekly telephone conferences and frequent liaison between Glaxo Wellcome and Accenture team leaders ensured that any difficulty was identified and overcome before it could become an impasse. A strong leadership team was established which included the executive management, the team leaders and the leaders of support functions and this group was able to rise above the day-to-day issues of running each phase and focus on how changes would be implemented effectively.

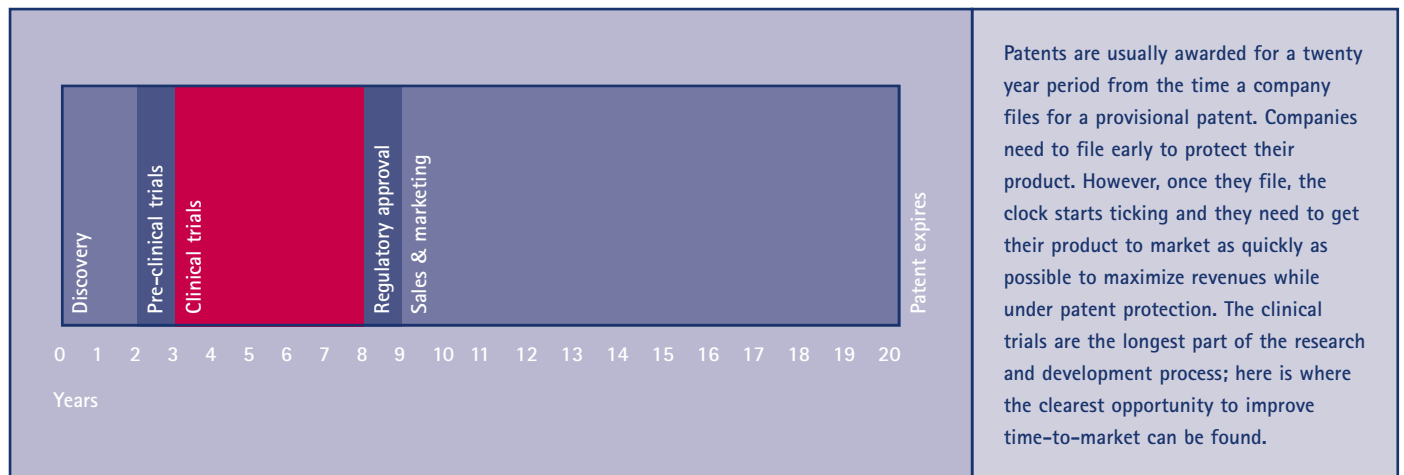
At the same time, the New Paradigm solutions have led to a number of initiatives to implement in the various workstreams. With ongoing efforts in the use of Information Technology, data exploitation and simulation, Alliances, Internal Markets and Virtual Development Groups continuing, these initiatives will help shape the future of Clinical Development at Glaxo Wellcome.

Phase 04 – consolidation

By Christmas 1997, 80% of the solutions identified in Phase 02 had been transitioned into the business. The consolidation phase involved the system implementations and an intensification of the 'Hearts and Minds' campaign. The delivery of detailed business metrics by the Metrics team allowed Clinical Process Redesign to demonstrate the potential results to both senior management and staff. This, coupled with the Benefits Measurement Exercise and a continued communication campaign, created a widespread perception that Clinical Process Redesign really was working and maintained the program's momentum.

A 'soft measures survey' of the mood of the organization reported a positive response to the changes and highlighted a fundamental change in the attitude towards measurement and metrics. Perhaps the most important factor for success, however, was the mutual understanding and empathy which developed between Glaxo Wellcome and Accenture over the course of the project. Throughout this developing relationship, the project goals were regarded by both organizations as joint responsibilities and, as progress was achieved, so the working partnership was strengthened.

Figure 03
The rush to market



Source: Accenture

The business outcome

As a company, Glaxo Wellcome has demonstrated that it is prepared to take a new and decisive approach to its business operations in order to continue to lead the pharmaceutical industry. Working with Accenture, it has shown how different cultures and diverse processes can be streamlined and integrated into a single, highly effective organization. (Figure 03)

The impact of the Clinical Process Redesign solutions will be felt at many different levels within Glaxo Wellcome. At a clinical trial level the company expects to see a reduction of about a third in trial cycle time and of over 10% in the resources required for each trial. At a project level, the major areas of benefit for a New Chemical Entity will be just over a 20% reduction in project cycle time through the reduction in clinical trial cycle times and better decision making, and nearly a third reduction in the resources required to complete the project through productivity gains made within each trial and through a decrease in the number of trials conducted to deliver a project. These improvements will strengthen Glaxo Wellcome's pipeline in terms of both capacity and speed, allowing the company to provide innovative drugs faster and helping it to combat the increasing levels and complexity of disease worldwide.

Against the backdrop of a highly competitive, rapidly changing marketplace, Glaxo Wellcome recognized the need to make fundamental changes to its core processes, and to meld its diverse cultures and approaches into an effective organization. Working with Accenture, it has continued on its path of achievement, and is now well placed to redefine the standard of that achievement for the rest of the pharmaceutical industry.



Contacts:

Martin Sutton

Glaxo SmithKline
Berkeley Avenue
Greenford, Middlesex UB6 0NN, UK
T +44 (20) 8966-8000

Nicholas Edwards

Accenture
60 Queen Victoria Street
London EC4N 4TW, UK
T +44 (20) 7844-5890
nicholas.h.edwards@accenture.com

Fraser Skirrow

Accenture
60 Queen Victoria Street
London EC4N 4TW, UK
T +44 (20) 7844-5127
fraser.skirrow@accenture.com

For additional information, please contact Accenture:

In the Americas:

The Wanamaker Building
100 Penn Square East
Philadelphia, PA 19107, USA
T +1 (267) 216-1000
F +1 (267) 216-0100

In Europe/Middle East/Africa/India:

60 Queen Victoria Street
London EC4N 4TW, UK
T +44 (20) 7844-4000
F +44 (20) 7844-4444

In Asia/Pacific:

Nihon Seimei Akasaka
Daini Building 7-1-16
Akasaka, Minato-ku
Tokyo 107, Japan
T +81 (3) 3470-9241
F +81 (3) 3423-2544

On the Internet:

www.accenture.com