

# OPTIONS ANALYSIS & SOURCING CASE STUDY

## An assignment for a Global Pharmaceutical Group – FM & E

### Introduction and background to the assignment



Our client - a pharmaceuticals giant and household name - needed an options analysis and strategic sourcing review to be carried out to cover its Facilities Management and Engineering (FME) activities.

The aim was to reduce cost to our client but, at the same time, improve the sourcing of the services involved, while maintaining optimal service levels that were fit for purpose.

Touchstone Renard was commissioned to carry out the assignment.

### Our task

We set to work with the key objective being to identify significant efficiency and cost savings in the medium term, with the intention that they take effect no later than the start of the 2008 financial year.

The review focused on FME's external expenditure, comprising: contractors / "body shop" resource; service contracts; *ad hoc* expenditure on services; purchases of goods and materials; and maintenance support projects. It also covered stores, drawing office and technical records.

### How we went about it

We applied our well established, step-by-step method, resulting in a set of reports and presentations that demonstrated clearly the rationale behind the recommendations that we made.

Information was gathered from within our client's organisation as well as from external sources and a logical framework of analysis was applied to the main areas of the target activity.

Controls and checkpoints were embedded at key points to provide our client with reassurance that the analysis was leading towards an informed decision, as well as providing a substantive audit trail for review and verification.

Opportunities to reduce costs and improve performance were identified. We examined the options with FME and concluded that there would be major advantages in moving to a systems-based approach, driven by clear output and performance specifications for each asset grouping.

The advantages of this approach included:

- Enabling employees' work to be redirected towards high value-added activities, without any change in the number of staff in the medium term.
- Identifying opportunities for significant reductions in the numbers and costs of contract staff and *ad hoc* purchases from suppliers
- Providing opportunities to involve the external market in a less fragmented way

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## What we achieved and our thoughts on the assignment

We proposed a programme of efficiencies and savings that our client accepted and was able to put in place by April 2008, while still maintaining satisfactory service levels.

## Please contact us



Touchstone Renard has a strong team of highly skilled consultants with a wealth of experience in a wide range of market places.

If you would like to receive further details of our capabilities or you would welcome a discussion on how Touchstone Renard can assist with solutions for your organisation – for example, helping you to save costs and improve efficiency - please contact Phil Austin, Managing Director.

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