



**Reduce Cost,  
Maintain Quality,  
Stay Competitive**

Strategies for Profitability &  
Operational Efficiency

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Principal Business Consultant @ QAD





# Agenda

- It's a Challenging world
- Why does Profitability matter - or is that a stupid question?
- How do we look good for Investment
- Why does profitability matter - or is that a stupid question
- What can we do to stay Competitive
- Harness the Power of Technology





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**It's a challenging world!**



Markets



Competition



Demand



Supply



Shareholders



Inflation



Compliance



ESG



Security

# Change, Uncertainty & Challenge

In Manufacturing & Supply Chains



## Global Context

Globalization → Nationalism  
Supply Disruption  
Data & IP Sovereignty



## Manufacturing

Productivity Plateau  
Underinvestment  
False Tradeoffs



## Workforce

Mindset Shift  
Scarcity  
Retention & Productivity

# Change and Challenges Everywhere



Lack of visibility



Customer expectations



Operations  
Pharma 4.0

Digital  
Transformation



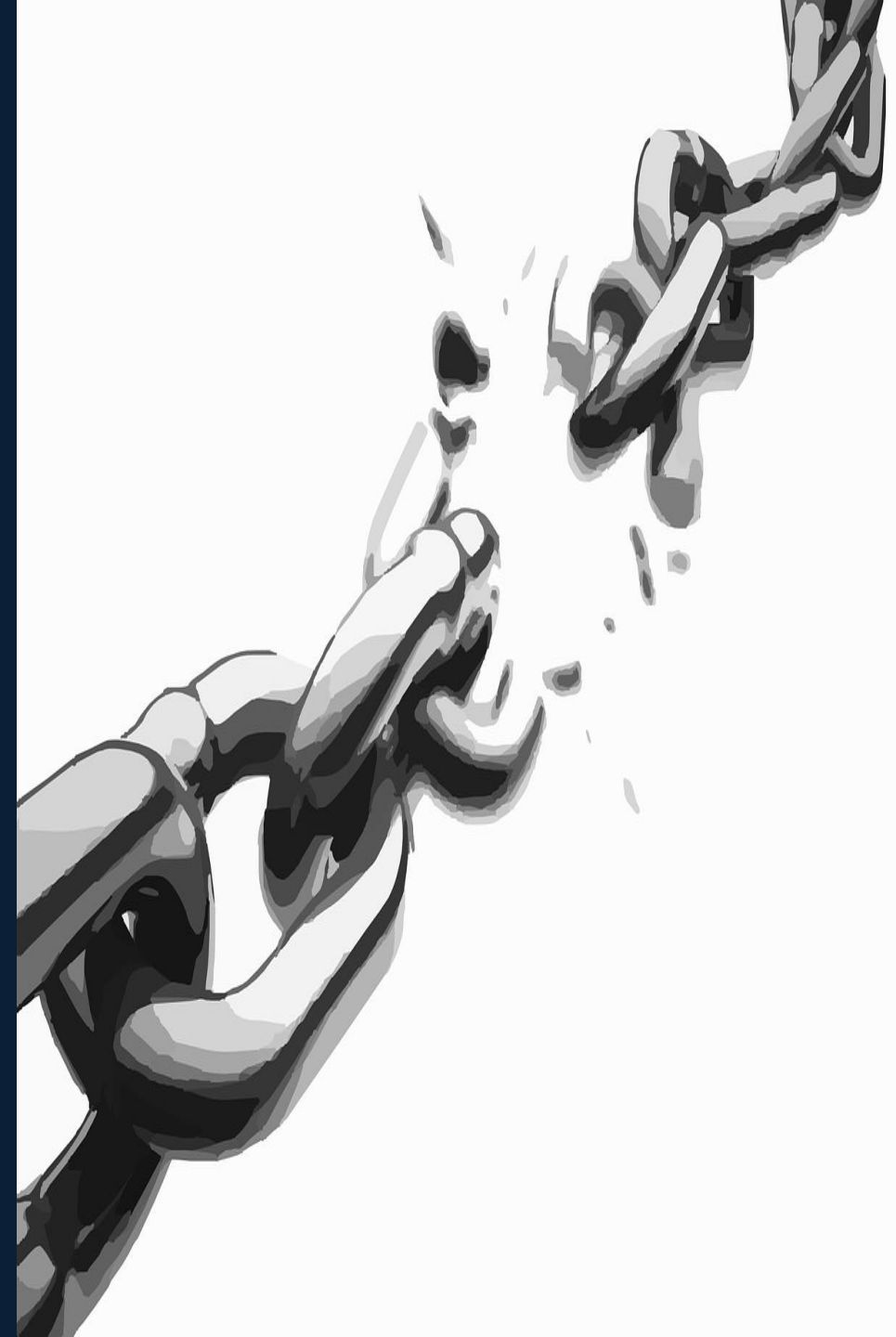
Globalization  
e.g. “Friendshoring”



Geopolitical



Regulatory &  
Compliance





**“Standing still is the fastest way of moving backwards in a rapidly changing world.”**

*Lauren Bacall*

# An Ever Changing World

- **Compliance and Regulations**
  - FDA, EMA, ISO, Fiscal, Legal
- **Materials**
  - Shortages, Advances, Costs
- **Supply Chain Events**
  - Political, Natural Disasters, Black Swan
- **Technology**
  - Hardware, Software, Quantum leap
- **Competition**
  - Legal, Counterfeit devices and drugs, Low Cost Economies
- **Customer Demands**
  - More for less, Better, Faster, Safer



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**Why does Profitability Matter?  
Or is that a stupid question?**



**Customer  
(& Investor)  
Centric  
Profitability.**







# WIIFM

- Profitability
- Competitiveness
- Attract Investment
- Attract Customers





# What's in for Investors and Customers

- Financial stability & efficiencies
- Compliance
  - Legal
  - Regulatory
  - Quality
- Operational Excellence
- Agility and scalability
- Bayer
  - “Project Martini”
- AstraZeneca
  - Supplier Engagement program

**CDMO LIVE**  
LIGHTNING TALK  
**Project Martini**  
How Bayer are optimising their contract manufacturing network

**Malik Akhtar**  
VP Head of Procurement Consumer Health  
Bayer

**David Buhmann**  
VP Head of Procurement Finished Goods  
Bayer

**BAYER**

**PharmaSource**  
EXCLUSIVE  
**Project Martini**  
How Bayer are shaking up their global contract manufacturing network

**David Buhmann**  
Vice President of Procurement, Finished Goods  
Bayer Consumer Health

Sponsored by **ThermoFisher Scientific**

**AstraZeneca's Global Supplier Diversity program smashes 2025 targets!**

Now launched in **12 AZ markets!**

Accelerating innovation and advancing societal impact by maximizing opportunities for small and diverse businesses.

Map locations: Canada, US, Puerto Rico, Brazil, UK, Ireland, Sweden, Poland, Netherlands, South Africa, Australia, New Zealand.



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**What can we do to stay competitive**



## Cost Components

- Direct Costs
  - Materials
  - Labour
  - Overheads
- Indirect
  - Administrative Expenses
  - R&D
  - Regulatory Affairs and Compliance



# Managing Cost

If you **can't**  
**MEASURE** it,  
you **can't**  
**MANAGE** it



- *Peter Drucker*

Identify what you can control

- Variable v Fixed
- Prioritize: Impact on Profitability

Strategies to Manage Costs

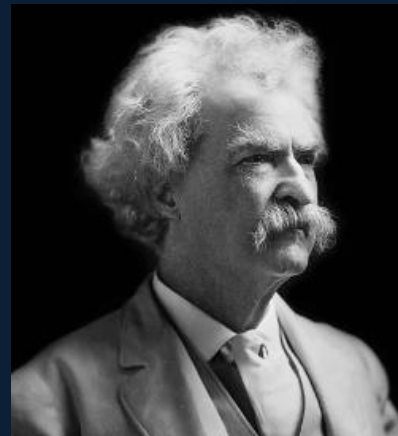
- Lean Production
- Continuous Improvement
- Process Automation
- Supplier Management



# Strategies for Competitive Advantage

“Continuous Improvement is better than delayed perfection”

Mark Twain



## Process Optimization

- Six Sigma and Lean
- Continuous Improvement
- Total Productive Maintenance

## Resource Management

- Develop Partnerships
  - Suppliers
  - Customers
- Prioritize by profit impact



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**Harness the Power of Technology**



# Strategies for Competitive Advantage

- Technology
  - Automate Processes
  - Adopt AI and ML
    - Pragmatic approach around things like PPM
    - Cloud based solutions
  - Data driven proactive decision making
    - Real time data
    - User friendly analytics
  - Demand and Supply forecasting
    - Customer delivery satisfaction
    - Resource & material efficiency
    - Supplier collaboration
  - Cost Optimization
    - Resources
    - Materials
    - Logistics







# Strategies for Competitive Advantage

- Partnership
  - Alignment with Industry strategies
    - Medical devices
    - Pharma
  - Agility for change
    - Scalable
    - Supported
    - Change Management
  - Security
    - Data Integrity
    - Internal and External
    - Disaster Recovery and Backups
  - Training and Change Management
    - Short term
    - Best Practices
    - Continuous Development
  - Cost Effective
    - Total Cost of Ownership



# An E2E Digital Applications



# Customer comments



“Right out of the box our new QAD system addressed and resolved the vast majority of our current needs and new requirements.”

*Senior Director  
of Operational Excellence*



“It’s critical in our business to be able to adapt to unforeseen changes. QAD helped us do that.”

*IT Director*



“What I appreciate most about the QAD folks that we’ve dealt with in particular, is their honesty and integrity.”



