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# CCPM Implementation in Dr Reddy's

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# About Dr Reddy's

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**Dr Reddy's Laboratories Limited (NYSE:RDY) is an integrated pharmaceutical company, committed to providing affordable and innovative medicines for healthier lives.**

## **Core Businesses**

- Pharmaceutical Services and Active Ingredients**
- Global Generics**
- Proprietary Products**

**IPDO (Integrated Product Development Organization)**



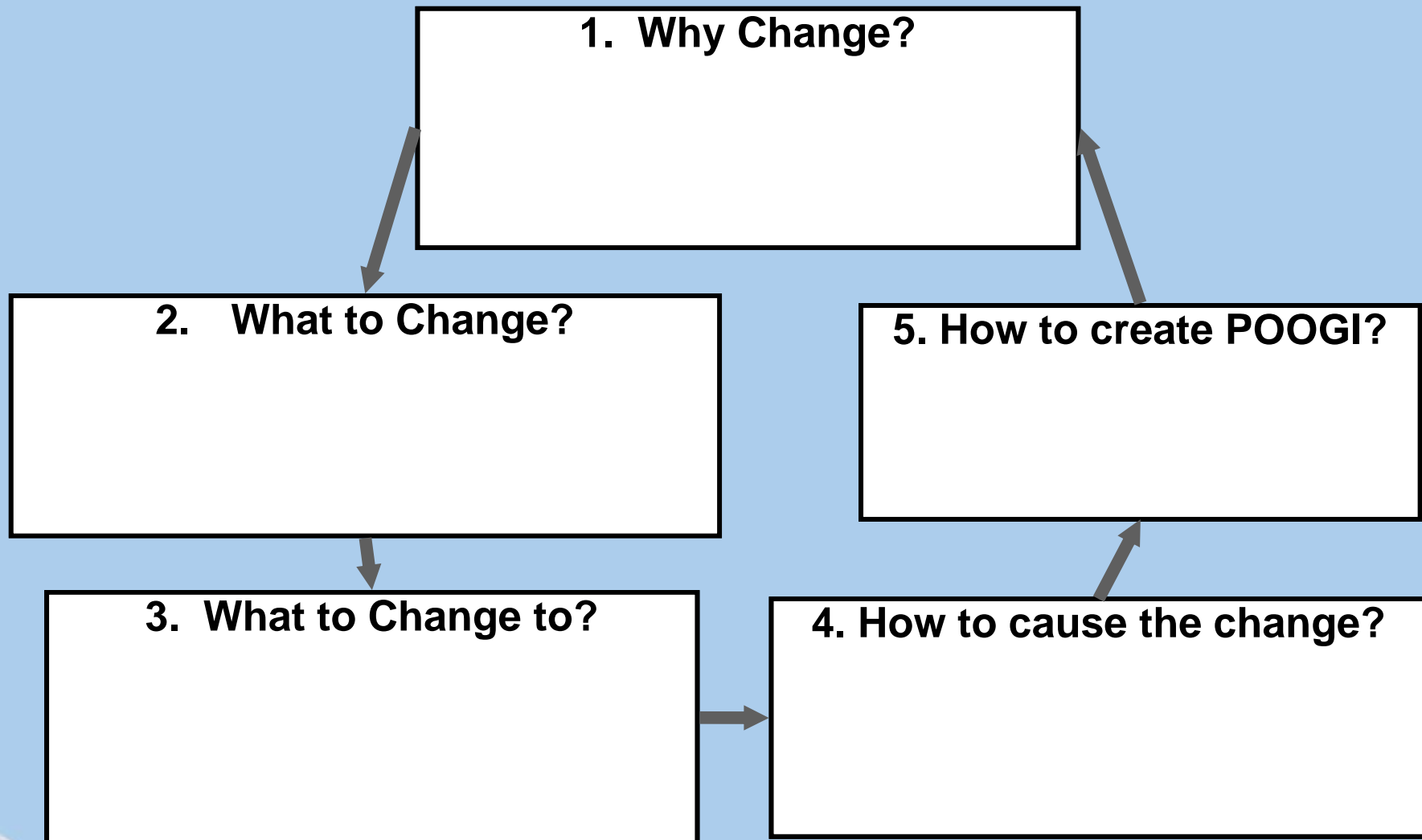
# About IPDO

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- **IPDO integrates all the R&D functions of Dr. Reddy's to create synergy, deliver on time, and enhance capability in developing APIs and finished dosages.**
- **With project management driven product development and technical capabilities created ahead of competition, IPDO strives to achieve targets that will make it a key differentiator for Dr. Reddy's.**

# Product Development CCPM way

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# Why change

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## **Inconsistency in managing new product development**

- **Many projects were missing the due dates.**
- **Target dates are revised in the beginning of every financial year.**
- **Cycle times are high.**
- **Throughput was inconsistent and skewed to the end of the financial year (Hockey Stick syndrome).**
- **Lack of process to assess the capacity of R&D**
- **Stressed out resources due to missing due dates and more projects in hand.**

# What to change

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## Process of managing new product development

- Capacity definition
- Project Planning
- Project Execution
- Project Review
- Measurements

# What to change to

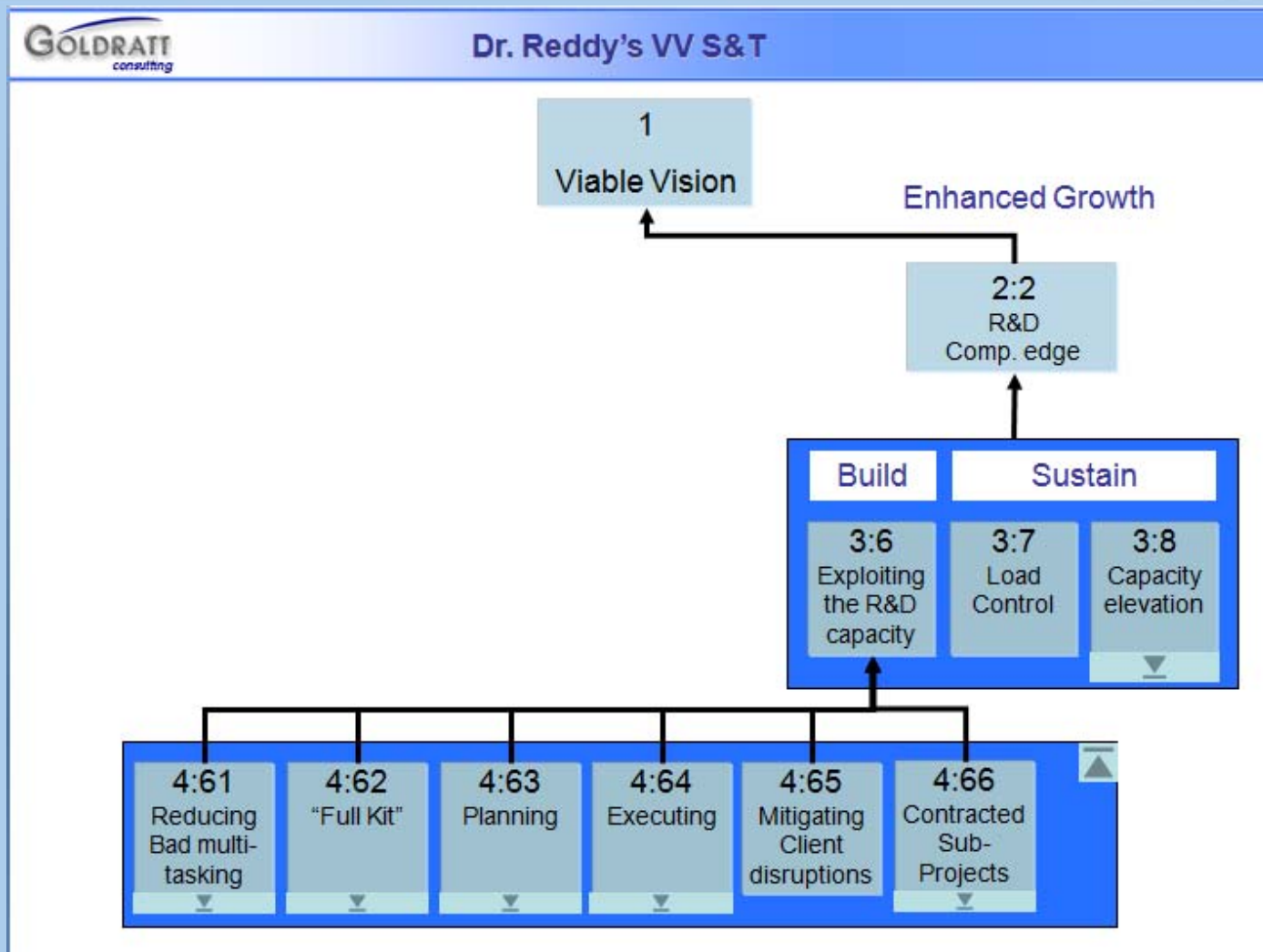
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**In 2008, Dr Reddy's rolled out Viable Vision initiative and CCPM is implemented in New Product Development**

- To build New Product Development as significant competitive edge.**

# How to cause the change ..

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# How to cause the change ..

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**Dr Reddy's had formal project management organization and hence CCPM was rolled out very quickly.**

**Top management commitment was demonstrated in ensuring the key stakeholders presence in all meetings, freezing of the projects, accepting staggered dates, task updates, project progress reviews.**

**Dedicated team of experts created to do Full Kit and most of the projects are released with proper Full Kit.**

**Quick results obtained immediately after freezing increased the buy in of the stakeholders.**

# How to cause the change ..

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**Facilitation team (FT) was created from resources within the organization and dedicated for the implementation of CCPM.**

**FT helped in creating the templates, project plans, training of project managers, task managers and resource managers.**

**Training, Handholding and mentoring by senior members of Goldratt Schools enabled the Facilitation Team to bring in the cultural change quickly and sustain.**

# Why POOGI

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**To sustain the initial results and continue the momentum.**

**To identify the flow blockers & improvement areas.**

**To do Buffer Management instead of crisis management.**

# How to Create POOGI

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- ❖ **Measuring the Flow**
- ❖ **WIP Control**
- ❖ **Buffer Indicators**
- ❖ **Execution Analysis**

# Measuring the Flow

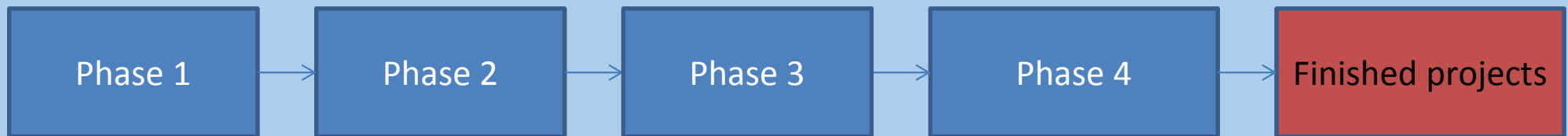
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# Designing the Process

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- **The different phases of the project development cycle are mapped**
- **Each phase, referred to as “bin”, is looked at separately and monitored.**



# Setting the Parameters

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**In each phase we monitor...**

- **Projects that are waiting to start the phase – WIQ (Waiting In Queue). Note that WIQ in the first phase is Full kitted projects waiting for start**
- **Projects that are in execution – WIP**
- **Number of projects complete (per period)**
- **The rate of project completion**

# Snapshot View (Fortnight)

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Jan-11 to Sep-11	Phase 1	Phase 2	Phase 3	Phase 4
Completions				
WIP	9	11	5	2
WIQ	4	4	3	12
Rate of Completion				

Current WIP level

Waiting to start (WIQ)

**Examine WIP and WIQ of each phase.**

- **WIQ of Phase 4 is high. This is blocking the flow.**
- **WIP of Phase 2 is higher than capacity of 8. It is leading to bad multi tasking.**



# Long Term View (Monthly)

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JAN to SEP'11	Phase 1	Phase 2	Phase 3	Phase 4
Completions	36	19	47	8
WIP	9	10	5	3
WIQ	5	6	0	15
Rate of Completion	1.0	0.53	1.3	0.22

- **Examine the rate of completion of each phase.**
  - Phase 4 Completion rate is low and WIQ is high
  - Improving FLOW in Phase 4 will increase throughput.
- **This is where we should focus for next one month.**
- **Function Head leads the improvement action.**

# WIP Control

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**WIP is restricted within each portfolio instead of using staggering mechanism.**

# What we monitor & review

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## □ Results

- Due Date Performance
- Cycle Time
- Throughput
- Value

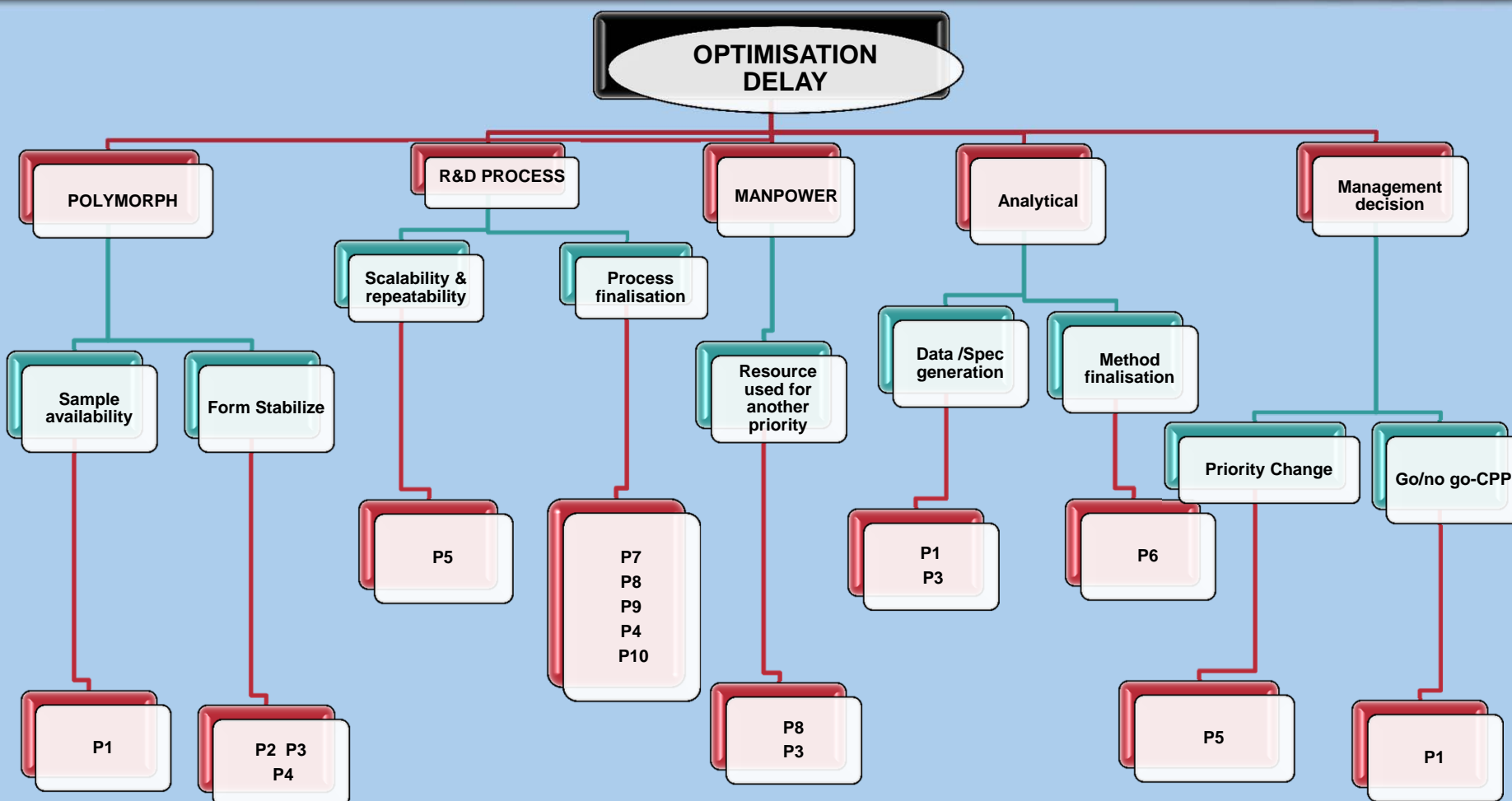
## □ Rules

- Task updation
- WIP
- Release of New Projects

## □ Portfolio Health

- Total Delay of Top 10 Projects
- % of Number of Red Projects
- % of 100% Buffer consumed Projects
- % Projects improved, Worsened, Not changed

# Execution Analysis (RCA)



# Results

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	Cycle Time			Fillings			DDP		
	From	To	%	From	To	%	From	To	%
NA EU	800	450	-44%	20	36	+80%	30%	60%	+100%
ROW	700	500	-28%	10	35	+250%	35%	78%	+120%
API	450	350	-22%	20	25	+25%	60%	80%	+33%