Interview: Frederic Secail – General Manager, Servier Arklow production site, Ireland

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Frederic Secail, General Manager of Servier's second strategic and international production facility within Servier Industry, located in Arklow, Ireland, outlines his ambitious transformation program, Arklow 2020, to anticipate and prepare the site for the future.

You have been GM of Servier's Arklow facility since 2013. What was the mandate given to you when you first arrived?

I came to Arklow in 2013 with a clear mandate: prepare the site and the team for its future transformation in response to the evolution of the global pharmaceutical environment and the site's new positioning within Servier Industry, in the context of Servier's new global strategy.

The first thing we started in Arklow in 2014 was to align the senior leadership team with a clear common understanding of the challenges and opportunities associated with the pharmaceutical business environment change for Servier Industry. R&D cost increases, patent expiries, growing competitiveness and falling market growth are pressures that pharmaceutical companies are facing globally.

A leadership program has been launched, firstly to understand and accept the imminent changes; to change the group's mindset; position us in line with our future strategy; interact more efficiently; be more proactive; and finally, to take charge of our own future as an 'entrepreneur'.

After defining the strategy, we started to communicate the change to our site employees to ensure that they understood the necessity of adapting to a new environment and having a new mindset. The key message was ‘what was adapted, relevant and efficient yesterday may not be so tomorrow’.

As did most of his peers, our CEO, Olivier Laureau, launched in November 2015 a global Servier Transformation Program with four key tenets for the following 5 years: launch a new molecular entity every three years; become a key player in oncology, reach EUR 5 billion revenues (from EUR 4 billion as of today), and, lastly, achieve an 8 percent operational result.

Within the overall Servier Transformation, Servier Industry has launched a significant competitiveness program within its 11 manufacturing sites, with a specific focus on pharmaceutical facilities located in Europe, Gidy (France), Anpharm (Poland) and Arklow (Ireland). The goal is to generate EUR 30 million savings by 2018 in order to be cost-competitive with other pharmaceutical facilities located in Western Europe.

Arklow’s specific Transformation programme, Arklow 2020, was launched in January 2016 and proliferated by the senior management to employees in small groups, to facilitate interactions and discussions.

What is the rationale behind ‘Arklow 2020’?

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Regarding the new pharmaceutical environment and Servier’s Transformation Programme, we have to transform Arklow site’s business model, with new challenges, clear objectives and a new positioning for the site within Servier Industry.

What are the key tenets of ‘Arklow 2020’?

Arklow 2020 has a number key objective. Firstly, be more cost-competitive by reducing the site’s production cost by 35 percent, while maintaining safety, quality standards, compliance with international regulations, and decreasing cycle time by 50 percent,

Secondly, we want to be the first FDA-compliant facility within Servier Industry.

Thirdly, we want to support Servier’s strategy in oncology by developing the high-containment expertise needed to develop high-potent manufacturing facilities.

Fourthly, we want to retain talents by remaining an Employer of Choice.

Finally, we want to actively take part in the new Servier CDMO business offering.

Servier Industry now offers CDMO services for drug substances and drug products, both in development and manufacturing, with dedicated organization and resources. We have started to attend CPHIs (Madrid 2015, Barcelona 2016…) and other events such as DCAT and Bio. Servier CDMO was successfully launched with new partnerships with our API facility in France and pharmaceutical facility in Russia. For pharmaceutical facilities located in Europe, the key drivers will be quality, reliability and flexibility at competitive costs. Arklow’s facility will be positioned as a Western Europe cost-competitive, FDA-compliant and High-Potency expert site.

How have you begun to implement this plan on a strategic level?

The key has been to empower the team by, first, explaining the drivers of ‘Arklow 2020’, constantly communicating to everyone on site to give sense to all decisions, and being transparent and clear regarding the new challenges and new increased expectations due to an increasingly competitive environment.

In February 2016, we were chosen as the pilot site for a new Servier Industry Transformation Initiative: OPEX (Operational Excellence), an initiative sponsored by Pierre Venesque, Head of Chemical & Pharmaceutical Operations and co-led by Laurent Dray, Head of Industry Performance, and myself with the support of the McKinsey Consultancy Group.

OPEX is designed to jumpstart our competitiveness in a short period by challenging our current operating practices, management infrastructure and mindset: the key dimensions needed to produce sustained results and long-term achievements.

On Arklow’s site, from March to June 2016, an international team composed of French, Polish and Irish staff ran the OPEX pilot. The aim was to significantly change the existing practices, adapt management infrastructure and develop a new mindset. It was a success with significant results & achievements. OPEX is now deployed in the three European sites coordinated by Head of Industry Performance It will be fully implemented by 2018.

Within ‘Arklow 2020’, we have also adapted our management infrastructure by creating a new, clear and visible, transversal ‘Operational Management Team’. This is to help run the business on a

daily basis, decentralize and speed up the decision process, break down thinking in silos and create additional career development opportunities at management level.

We have also optimized the Quality Department, Finance and Supply Chain management organization to give more responsibility at all levels.

We have also created and encouraged new career opportunities for team members.

We have supported a new Servier R&D non-GMP Biotechnology facility in Dublin City University through a strong partnership with Irish Development Agency, and designed a new ‘Recognition Program’ to recognize our employees’ achievements.

We are extremely busy and it is always a good sign!

How do you plan on achieving your ambition of becoming cost-effective?

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We are already on the way!

In the last six months, thanks to the commitment and efforts of everyone on site, we have decreased our unit cost per box by 14 percent, while increasing productivity in QC by 90 percent and in Bottle Packaging by 50 percent. We have also reduced our cycle time by 10 percent. We have also performed an FDA ‘gap analysis’ and started to transform the oldest production unit into a new preconfigured High-Potent compliant facility with new equipment.

Looking forward, where would you like to see Arklow in 2020?

Ireland is very dynamic and competitive, specifically in Pharma, and especially biopharma. We want Arklow’s position within Servier to reflect this.

In 2020, Servier’s Arklow site will be-cost competitive, in great position to launch Servier’s new oncology products thanks to our high-potency expertise, with a diversified portfolio as a recognized FDA-compliant CDMO, and – the most important point – with a team proud to have successfully transformed the facility business model for the next 50 years!

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