Interview: Colm Murphy â?? General Plant Manager, Servier Poland

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Colm Murphy, general plant manager of Anpharm, a key European production site for the Servier group, highlights major investments in recent years, such as the state-of-the-art QC Lab, and his strategy to increase the plantâ??s exports. Additionally, he discusses the growing importance of the companyâ??s CDMO activities and the steps taken to remain cost competitive, while delivering world-class quality products.

What are the major investments into the plant over the last few years?

Since 1997, we have invested over 150 million PLN (44 million USD) in the Polish production site. The main investments have been made to expand the manufacturing capacity and enhance our production technology offering, specifically in the bottling process where we have funded the expansion of two bottling lines in the last five years, a total investment of 21 million PLN (6.2 million USD). This operation is required for a big part of Servierâ??s portfolio that is based on cardiovascular medications and adds onto our three classic blister lines.

Another significant investment in recent years was towards our quality control, or QC, laboratory. First and foremost, the main intention is to have an efficient lab that is consistent with the ambitions of the plant and the needs of our customers. Additionally, the improved capabilities of the entire site and modernized lab, will help leverage partnerships with external third parties.

What is the strategic importance of Servier Production in Poland for the groupâ??s global manufacturing?

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Anpharm, the company name of Servierâ??s Polish production plant, was founded in 1993, when Polish chemists and pharmacists set up the company after the fall of communism. They first developed branded generics, though encountered financial constraints due to a lack of capital during a challenging period; therefore, the majority of shares were purchased by Servier and EGIS in 1997.

The main rationale behind this decision was to alleviate capacity constraints for the company during a period where Servier was expanding abroad at a rapid rate. Secondly, it was to demonstrate the companyâ??s long-term commitment to Poland and be a major part of the nationâ??s manufacturing infrastructure.

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In the last few years we have gone through a group transformation in the companyâ??s three European pharmaceutical production sites: Poland, Ireland and France. This movement, known as the Operating Excellence program (OPEX) 2020, started in 2016 and involved transformations within each business segment, with the overall strategy to work in synergies within our manufacturing site network. This allows us to agree mutually on what makes best sense from an investment standpoint, and how to leverage our manufacturing capacities to ensure we are flexible in delivering the supply we need in a timely manner.

This harmony between the locations has allowed us to drive forward the company, while always working within our value triangle of three external factors: time, quality and cost. This ensures in the long run we are always cost-efficient and do not compromise patient safety and treatment quality.

What are the advantages that make Poland such a great place to manufacture?

Poland as a country over the last twenty to thirty years has shown a great willingness to adapt to change and has demonstrated quite a significant transformation. Poles themselves are very open to change, and since 2004 many of them have taken advantage of the EU presence and worked in countries such as Germany, UK, Ireland and Scandinavia. They have then returned to Poland, giving companies like Servier, the opportunity to utilize this intercultural work atmosphere.

40 percent of the drugs produced at the site are exported, and you have plans to see this number grow. What is your strategy to make this happen?

The strategy is mainly built though the synergies within our manufacturing network. We have multiple fixed-dose combinations in cardiovascular indications that opens up great opportunities to grow.

The import/export split in 2017 stood at 40/60 percent in terms of volume, a large increase compared to five years ago when we stood at 80/20. We are projected in the 2018 fiscal year to bring this to 55/45, with the long-term objective to have a 50-50 split between imports and exports. Therefore, we are truly moving the site from a mono to multi market manufacturing location. Nevertheless, we always keep a close eye on the Polish market and retain our ability to supply quality products in a timely manner, as Poland remains our first market.

The Polish site will never be as large as the French or Irish Servier production sites, however we are very agile and help alleviate pressure on the companyâ??s manufacturing network. We see our footprint growing in the CDMO area, and today this branch makes up 25 percent of our total production.

What are the services you offer your clients within the CDMO space?

Our full package offering is from scale up and developmental transfer to manufacturing, packaging and analytical works such as regulatory services. We are in essence a one stop shop, with an ability to establish a tailored approach.

Within this CDMO area, we are focused in our analytical services via our QC lab, and have already set up a partnership with Biogaran, with other players looking to come on board shortly.

Polandâ??s production costs are increasing as the economy grows. Do you fear this will have companies looking further east to lower cost nations for purely CMO activities?

More and more companies are aware of value, compared to purely a cost saving exercise. Poland can never compete with rock-bottom manufacturing prices, though we bring a higher-quality product with excellent reliability in terms of service, at a competitive price. Poland fits into the niche of great value.

What processes are you implementing to remain a value-based company?

The rationale behind the companyâ??s capital expenditure (CAPEX) long-term plan was to increase business activity and grow production volume in parallel; therefore, bringing down overall costs. Additionally, the OPEX plan deployed in 2016 had a goal of reducing unit costs by 25 percent, and we are on track to achieve this.

On a different level, Poland is a pilot site for a digital transformation program known as DigiLENS. This allows us to implement digital ideas within the plant, and currently we have a system that captures real-time output from production lines onto digital displays. This allows us to pull data from the production line and make it visible, so our teams can make quick decisions on the spot without having to lengthen the process. This saves time and money, and we believe it has CDMO applications down the line as contract partners may want to monitor their own products during the manufacturing process.

How do you position the company as the preferred partner?

We position and brand ourselves as Servier CDMO, the new business unit for the group that represents the companyâ??s network. We are present in many international conferences and are now showing the work of the company in biologics that is soon to be present within our French site as well as high potency manufacturing in our Irish site~~s~~. Furthermore, we advertise within Poland and the wider CEE region, especially for our new analytics offering as we see a growing market here.

What are you doing from a social aspect to integrate further into Polish society?

We maintain close contact with different universities across Poland, in major cities such as Warsaw, Gdansk and Krakow. This is with academics, as well as students, and we offer placements that allows young polish students to come to the site and learn. We create a link between university and the commercial industry as this transition is not always easy for graduates. Many of our team members were former students that came originally here for experience.

How do you continually attract the eyes of HQ to invest in Poland?

Generally, there is a positive atmosphere around us, and Poland is a key nation for the group with great potential ahead. Nevertheless, we must still make strong business cases, and this is based around figures and what benefit does Poland bring in terms of quality, supply and cost.

Beyond the numbers, the management are always looking at how the site and team functions, and the Polish team are very committed in the future. Furthermore, we are promoting ideas such as our digital transformation that is production innovation, and with Servier being an innovative company, this is an area that plants that Poland in a key role to play in many fields

Where do you want to take the company in the next 3 years?

Firstly, we want to continually promote the site as a multi-market platform that delivers on time and quality. Secondly, we want to be a smart factory as the digital age is upon us, so we are always looking at ways to implement better computer technology to streamline and automizer processes. Thirdly, we want to be seen as the employer of choice, and interacting with universities and empowering our staff facilitates this cause

As a manufacturer we would like to be better informed and more connected with patients to ensure that our efforts towards a higher quality, a reliable supply and a competitive cost better meet their needs both in Poland and in our export markets.

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