

# THE EFFECTS OF CUSTOMER SERVICE



# AND EFFECTIVE SUPPLIER COMMUNICATION ON THE CMO-CLIENT RELATIONSHIP

## Q&A with Aphena Pharma Solutions

The future of outsourcing is brighter than ever as pharmaceutical companies continue to rely on contract manufacturing organizations (CMO) for their manufacturing needs.

The move allows pharma companies to focus on their core business, especially marketing and R&D, which can reduce costs, cut down time to market and increase bottom line, while relying on external manufacturing experts to provide fast and cost-effective drug development.

But in a time when two-thirds of pharmaceutical manufacturing is outsourced, price, quality and capability rarely separate the players in the market. Instead, what differentiates the competition is service.

Pharmaceutical companies and CMOs are increasingly evolving their relationship from one-dimensional product outsourcing into comprehensive partnerships that center around one major theme: customer service.

Following the Pharmaceutical Outsourcing Summit, we spoke with Eric Allen, Executive VP of Sales & Marketing; Bob Scott, President of Operations; and Paul Glintenkamp, Director of Business Development at Aphena Pharma Solutions Inc. to address the effects of good customer service and effective supplier communication on operations and outcomes, and to help pharmaceutical companies and CMOs get the most out of their manufacturing relationship.



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**What are the issues that arise from selecting a contract manufacturing company that does not invest in a culture of client communication?**

*Bob Scott:* Contract manufacturing only sells one thing: service. Technology, capabilities, quality and price rarely separate the contract players in the market. These are expectations. What separates the competition is service. You will only be remembered for your last late delivery. Therefore, communication is key. Proactive, direct and timely communication will overcome a great number of challenges both for our customers and our own company.

Contractors that do not invest in a culture that supports strong communication with their customers are relying solely on price, technology and/or quality. Although these variables are important, as a contractor you will ultimately be remembered for your service, which correlates directly with communication.

*Eric Allen:* The biggest thing that's really going to affect the customer is time and money. And in this industry, everything is about time. If there's not effective communication, then those deadlines and those timelines will continue to lengthen out. So, if you don't have effective communication, then the customer could be [wasting] literally hours, weeks or months [trying to effectively communicate]. And if they then have to move manufacturing companies as a consequence of that poor communication, that's a huge cost. Those who do a deeper dive into a company's culture, transfer teams and the people they will be interacting with on a day-to-day basis can save themselves a lot of time and money identifying potential risks sooner rather than later.

*Paul Glintenkamp:* Some of the issues that are created by poor communication really are missed due dates. And that makes, I would say, a culture of mistrust between the two parties.



**How will the level of communication offered by a contract manufacturer change the efficiency, outcomes and/or operations of a pharmaceutical company for the better?**

*Bob Scott:* Customers don't like surprises. Strong communication eliminates surprises. A higher level of communication leads to a higher service level, and for us, high service levels mean meeting our delivery dates on time within waste factors and the quality that is expected.

*Eric Allen:* I agree. With communication, you're setting the tone from day one. Meaning, it's one thing to follow a recipe or procedure to make a product, but the reality is how effectively you're communicating the positives, the negatives and the challenges, as well as how you

address those from a timeline and with daily communication, because if you're losing weeks of time, those weeks will add up at the end of the year. But if you're effectively doing what you're supposed to, it sets the tone at the very start of the relationship on how it's effectively going to go long-term.

The first six months of any new customer coming on board is crucial to cement that relationship and establish those communications back and forth so you can have a long-lasting relationship.

**"STRONG COMMUNICATION ELIMINATES SURPRISES."**



**When it comes to communication, what should pharmaceutical companies expect from their suppliers?**

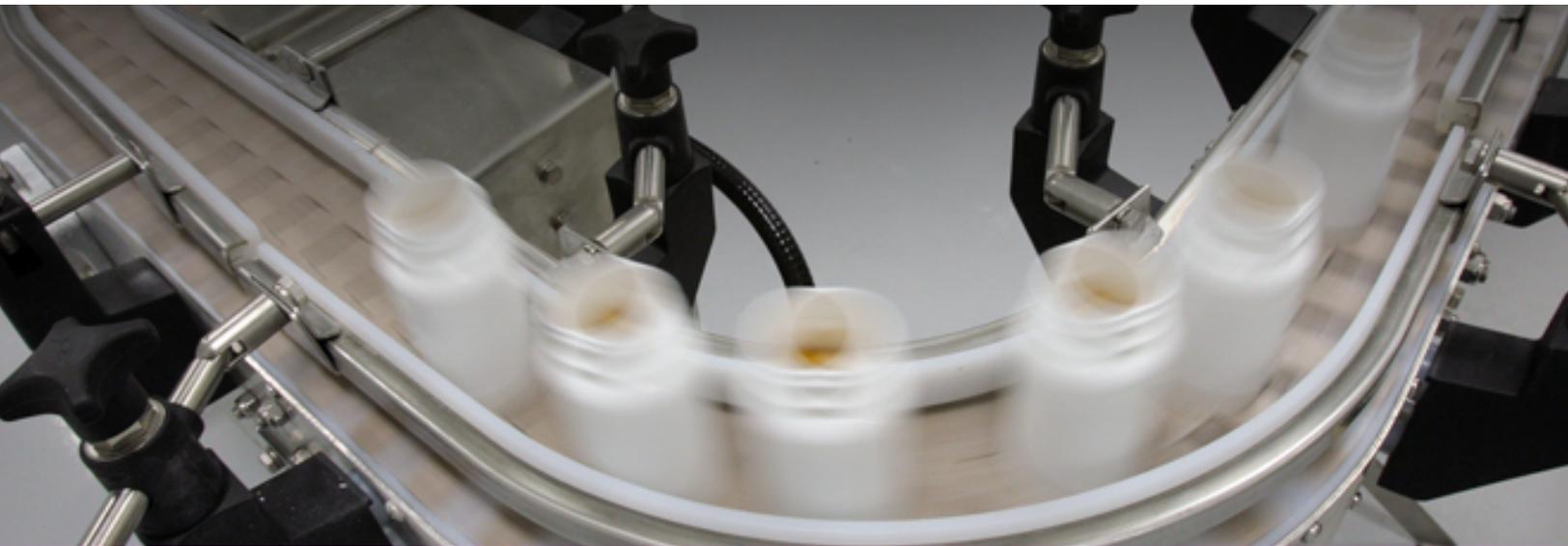
*Bob Scott:* When a customer comes to Aphenia, they are expecting us to be the subject matter experts. And they're looking for us, regardless of their sophistication in outsourcing, to help them be proactive and guide a project or a program forward. They don't want to have to be training us. Good suppliers (Aphenia included) provide guidance and confidence as the project is being executed. No one likes surprises, so the stronger your communication is — whether it's communicating the good, the bad, or the ugly — [the better the customer experience is.]

*Eric Allen:* Pharmaceutical companies need someone to help push their organization to get the information needed for the project, otherwise they would do it internally, and that's really what they're going to an outside contractor for — not only to do their project, but to basically be the project lead, overseeing every activity and pushing them and asking for the information to make sure it stays on point. And I think that's really what they need from us: They need overcommunication to set those tones and pull that project from start to finish.

**During the supplier selection process, how can a pharmaceutical company assess the level of service and communication offered by contract manufacturers? How can they identify organizations with a client communication-oriented culture?**

*Bob Scott:* Company leadership is normally the client's first exposure to the prospective supplier. Promoting service and communication levels is an intangible that is not always noticeable in the selling process. When, in their initial discussions with the prospective client, these leaders strongly emphasize the importance of communication in their company's process, and when that message is repeatedly supported throughout the presentation, it solidifies the prospective client's belief in the supplier's strong attention and commitment to communication and service.

*Eric Allen:* My recommendation to anybody evaluating a contract manufacturing company is to thoroughly investigate the facility and its operations as well as the quality systems to make sure that everything aligns with their own vision and company culture. During that investigation, it's crucial for them to ask the questions, "What should we expect on the launch?" and, "If we give this award and purchase order today, what are the next steps?" If that supplier doesn't come back with a very quick, clear message, then that should throw up a flag.



**CONTRACT  
MANUFACTURERS ONLY  
SELL ONE THING:  
SERVICE**

**"Good suppliers provide guidance and confidence as the project is being executed."**

# PROJECT INTERACT

## What steps does Aphenia take to ensure the highest level of accountability and client communication?

*Bob Scott:* We have a company-wide initiative, Project Interact, that engages every employee from the top down. First, we make sure that our employees understand what a customer is and who their customers are. We do a significant amount of training around this program on everything from how to listen, how to clearly communicate, how to make sure you're capturing your commitment and how to hold people accountable for their work.

We also have some key performance indicators that we utilize to make sure that we're walking the talk, if you will. We monitor turnaround time on communication, and the resulting factor is that we don't miss commitments that are within Aphenia's control. That's the outcome of what we did with Project Interact.

The key players are the project managers. They're intimately involved with our customers in addition to the salespeople, and

**"Project Interact engages every employee from the top down."**

they also use reports, schedules and regular conference calls with the customer as tools to keep everybody in the same communication link.



*Paul Glintenkamp:* Our project managers at Aphenia are the customer advocates, and they're part of every communication between the customer and Aphenia. They are the support service that makes sure we are delivering what the customer is looking for. Each customer has one primary point of contact within the Aphenia operation, so for project managers, the job is not just managing a single project for many, many customers; it's managing everything for a specific customer.

## What has been the resulting outcome for your clients since implementing Project Interact?

*Paul Glintenkamp:* I would say the first thing is that we're getting more projects and more repeat projects. I often get a direct call from a customer about how they really liked working with their project manager, or a compliment about how the project manager is keeping up with the schedule and communicating any challenges to that.

*Eric Allen:* Aphenia is a mid-sized organization in a very competitive space, so we have to make a decision: Are we going to really just try to sell on price and be the bottom player? When we're going

against larger players that have all of these massive resources and multiple facilities, we constantly hear one common theme from customers: "We're amazed at how much you communicate with us, and we're amazed at what kind of customer service we get because we never had this service level with our other partners (meaning these bigger companies)." It's overwhelming to them that they can get a response within 24 hours, or that they can pick up a phone and get things solved quickly.



# CLIENT CONTRIBUTION

**Once in a partnership, what are the practical steps that pharmaceutical companies can take to uphold their end of the communication bargain?**

*Eric Allen:* The biggest challenge that we have with most of our customers at the start is having a solid point person. Aphena can drive the project. We can communicate effectively. But if we're sending information to a large group, it tends to go into limbo or not get answered because no one is held accountable to drive it on the client's side. So, at Aphena, we always ask at the beginning of our introduction, "Who is the point person on your side that we will interact with to get these action items completed?"

**"OUR BIGGEST CHALLENGE IS HAVING A SOLID POINT PERSON."**

*Bob Scott:* It really is a level of engagement on both sides. It can't be something where you talk every three months or every six months. There should be phone calls even when the level of business is fairly stagnant. There should be monthly phone calls to the decision makers just to stay in that loop and make sure you're not forgetting each other.



Find out more at:  
[www.aphenapharma.com](http://www.aphenapharma.com)

Aphena provides clients with a full range of solutions to address their pharmaceutical packaging and manufacturing requirements. With our continued investment in technology, advanced packaging systems and rigorous cost control, we can deliver solutions that are highly cost effective as well as comprehensive.

Our team of seasoned experts collaborate with clients and address every aspect of their product.