



# Biological Testing Company Get Its Business Practices Down to a Science

A biological testing and production service for pharmaceutical and biopharmaceutical companies, BioReliance has been an industry leader since 1955 when it supported the development and production of the first polio vaccines. That legacy of excellence continues today as BioReliance provides services for high-profile customers worldwide, including the Centers for Disease Control and Prevention.

While recognized as a leader in science, however, many of the company's PhD-educated managers lacked the business experience necessary to improve internal processes and the bottom line. BioReliance's top executives realized that their business processes needed fine-tuning. Engaging DB&A provided the perfect balance of scientific reasoning and business sense.



## DB&A Analysis

Heavily anchored in a scientific culture, BioReliance had created an enduring reputation and corporate culture by diligently upholding quality assurance as one of its highest values.

One of the primary goals in enlisting DB&A was to complement the company's scientific excellence with equally sound and reliable business practices, with a special focus on shortened cycle times (with achievable deadlines), enhanced supervision, improved tracking and recording of various procedures, and reduced employee turnover.

DB&A outlined two basic areas of financial improvement for BioReliance: first, to increase revenue through better utilization of existing capacity, and second, to improve cost-effectiveness overall.

## The DB&A Difference

### Analysis Financial Proposal

- Project Cost: \$715,000
- Annualized Savings: \$2,000,000
- ROI: 2.8:1

### Actual Financial Results

- Actual Project Cost: \$715,000
- Annualized Savings Rate: \$3,000,000
- Actual ROI: 4.2:1

### Project Results

- Shortened front-end cycle time by 16 percent
- Shortened back-end cycle time by 65 percent
- Improved equipment utilization by approximately 40 percent
- Improved employee retention
- Streamlined reporting for shorter time to billing and revenue

## Implementation Actions

DB&A's clarity on goals gave BioReliance confidence going into the project, and the 22-week engagement began with an in-depth examination of the company's two measurable cycles: the front-end cycle, which spans initial order placement through lab initiation, and the back-end cycle, which comprises actual lab work, report creation and final invoicing.

Although one of the stated goals was to shorten cycle times in order to accommodate more business, most lab work at BioReliance involves the incubation of biological materials whose testing times are largely dependent on biology or regulated by the FDA—making it virtually impossible to speed up the necessary processes. When DB&A performed capacity studies, however, the team found that slow execution wasn't the problem—equipment utilization was. While the perception was that the company's labs were operating at 100 percent capacity, DB&A discovered that some equipment was sitting idle at least 40 percent of the time. Better equipment utilization resulted in an immediate 16 percent improvement in front-end cycle times.

“Not only did DeWolff, Boberg and Associates surpass the stated financial goals, they really brought everyone to the table in a process of learning and growth. Because of the work we did together, our people are moving forward with a shared vision of continuous, long-term improvement.”

- Chief Executive Officer,  
BioReliance

Even more impressive was the back-end cycle time reduction. The most significant change involved making quality assurance a built-in part of the cycle rather than a separate auditing activity at the end, and enhancing the interaction between the QA and laboratory teams. Process changes were also made that prevented lab reports from changing hands several times before completion. By improving communication and streamlining reporting processes, DB&A was able reduce back-end cycle times by



a stunning 65 percent—significantly enhancing customer service as well as billing and subsequent revenue on the books.

### Building a Better Company with the Right Tools

Prior to the DB&A engagement, success at BioReliance was evaluated on the basis of monthly revenue dollars; few measures existed to analyze or quantify performance at the department, employee or task levels. DB&A introduced specialized “key indicators” that enabled employees to accurately document performance and gain information that would help them work more efficiently.

As a result, BioReliance began tracking a variety of critical metrics in detail on a two-week basis, including individual laboratory productivity in revenue dollars per labor hour, cycle time, error rate, deviation rate, on-time delivery, and backlog. Not only are the indicators and results tracked, they are discussed at the vice presidential staff meeting every two weeks, reviewed at monthly business meetings, included in monthly reports, used in the laboratories both by individuals and managers, and included in the goals and incentive plans for senior executives. Improved communication tools included daily plans, barrier logs, and action plans, enabling a significant reduction in problem identification and resolution times.

A series of workshops introduced new business concepts and management techniques to directors and managers, and one-on-one coaching at the vice presidential and director levels provided further reinforcement. In addition, DB&A uncovered areas where the front-line workforce could be cross-trained to support different laboratories with similar technologies and work processes, enhancing team utilization.

DB&A also strengthened the company's employee training procedures. While previously BioReliance had hired people based strictly on their technical expertise, DB&A implemented supervisory training processes and tools for other areas of business that had the potential to impact quality, efficiency and/or productivity.

## Measurable Results

### Even In Science, Business Sense Pays

Changes for the better were seen across the entire BioReliance spectrum of operations. With the help of DB&A, BioReliance was able to substantially improve cycle times and productivity, realizing more than \$3 million in savings annually—far beyond the initial goal of \$2 million in bottom-line gains.

Enhanced measurement and reporting tools clarified priorities for front-line workers, making them an integral part of operational improvements. With process, measurement and managerial modifications in place, BioReliance employees felt more valued and understood and, as a result, employee retention has improved.

One of the most noticeable changes observed was the grasp by employees company-wide of business vocabulary and concepts like “capacity,” “backlog,” “productivity,” “market-driven processes,” and the exhibition of activities and behaviors that support those concepts.

Even in a specialized industry like biological testing and production, DB&A was able to quickly gain an understanding of BioReliance's unique business. Throughout the engagement, BioReliance management also expressed their appreciation of DB&A's dedication to the project and effort to know and understand BioReliance and its team on a deeper level. In the end, a project comes down to meeting stated goals as well as the client's expectations. And in this case, BioReliance proclaimed that both measures were exceeded.



Since 1987 DB&A has provided cross-industry management consulting delivering 15-20% in operational and financial improvements to our clients with a financial guarantee. We deliver customized solutions that maximize existing resources to increase efficiency, capacity, and productivity. Our approach is to work with all levels of management to transform management culture in order to drive accountability where it matters most: the front-lines. For more information visit [www.dbareresults.com](http://www.dbareresults.com) or email [contact@dbareresults.com](mailto:contact@dbareresults.com)