

## 2018 Wayne Cascio Organisational Development Award

### WINNER: Pfizer Australia

#### Project Hajime

##### Origins and principles

Pfizer is one of the world's leading biopharmaceutical companies. In 2013 a decision was made to close the Pfizer manufacturing operations in West Ryde. The Pfizer Global Supply strategy for the Sydney manufacturing facility (PGS Sydney) was to close manufacturing operations over five years (2013 – 2018) whilst maintaining supply of critical medicine to patients in SE Asia and managing the transfer of production activities to other Pfizer operations in Europe and the Americas. The PGS Sydney manufacturing facility commenced operations at West Ryde in 1959 and was firmly rooted in the local community. At the time of the site exit announcement in September 2013, the operation employed approximately 150 colleagues, with some colleagues having 25+ years of service.

The site exit announcement came as a shock to many as the operation had been delivering best in class performance for several years. The decision to close the site was based on long term strategic factors including excess capacity within the Pfizer manufacturing network combined with the high cost to operate in Sydney. The PGS Sydney operation had been recognised with Presidents Awards (highest recognition in Pfizer Global Supply) in the three years directly preceding the site exit announcement. The decision meant that almost 150 jobs would be eliminated but over 250 products would require transfer of their manufacturing to other Pfizer facilities. Many of these products are critical medicines that save lives every day.

The complexity to manufacture life-saving medicine is a challenge on its own, however transferring production of these critical products with the support of numerous government bodies managing health portfolios in their respective countries, raises that complexity to a whole new level. Despite jobs being lost and production being offshored, the operation was required to continue supplying these critical medicines throughout the transition period, a period of significant change. Due to the scale of change, level of complexity and the potential impact to patients the challenge to keep the workforce engaged, united and focused was quite daunting and required a defined strategy to ensure success. For PGS Sydney, it had to start with a positive outlook and a perspective that something special was not coming to an end but rather the beginning of something new was about to happen. The initiative to manage this challenging organisational change was created by the local leadership as Project "Hajime", a Japanese word for the "beginning."

##### Implementation

From the beginning aligning employees with a clear story and branding for the journey ahead was a priority. Communicating with employees was critical and having the right communication strategy was a focus of the initiative. Pfizer acknowledged that recognising their people would be important during this challenging journey. Uniting employees formed a critical pillar of the project. One value that had to remain during the transition was developing employees for that next step of their life, even if it wasn't to be with Pfizer. The 5 pillars to the Project Hajime initiative would ultimately allow the company to deliver against the challenge they faced:

### **Aligning Our People**

Prior to the announcement of the site exit to colleagues, the Leadership Team strategised on a positive story for what could otherwise be a very negative situation. The decision was made to view the site exit as the beginning of something new. “Hajime” the Japanese word for beginning was chosen as the project name for this initiative. While emotions and feelings ran high, the project name gave the team a central focal point. More than six weeks of planning by the site leadership team went into ensuring that the communication announcement would be delivered effectively. On the 26 September 2013 employees were told why their manufacturing operation would be closing. Immediately following the announcement all focus was on supporting employees and allowing the opportunity to express feelings, concerns and hopes for the future. Senior leadership both from the local organisation and global headquarters were present and available. Following the post announcement phase, the focus moved into aligning on the new purpose for the Project Hajime journey that lay ahead. Being the “preferred supply partner in the region” was no longer a relevant mission statement. Unanimous agreement was reached on completing the exit journey by “leaving a legacy of reliably supplying the highest quality medicine to our patients.”

### **Communicating with our People**

While communication had always been an important part of the culture, the frequency and focus shifted as part of Project Hajime. Town Halls changed from quarterly to monthly and ultimately fortnightly, allowing more regular updates on progress of the journey and an opportunity for employees to ask questions and raise concerns. A monthly newsletter was also launched that not only provided an update on progress of the site exit, but also shared personal highlights from within the team. “Legacy tweets” could be tweeted to share personal stories more instantaneously.

### **Recognising our People**

A tiered recognition program was developed by a working group. Instantaneous peer to peer recognition could be given via an online system known as Arigato (Japanese for Thank You). More formal monthly recognition was facilitated through an online system allowing employees to nominate peers or teams against strategic objectives and values. This recognition was known as Legacy Awards, a direct connection of performance and behaviour to the mission of leaving a legacy. Winners were recognised in front of the entire site at the Town Halls. An annual recognition evening was also held with monthly Legacy Award winners being eligible for annual recognition. The evening provided an opportunity to celebrate successes, acknowledge progress on the journey and allowed colleagues to connect away from the work environment.

### **Uniting our People**

Following consultation a number of team building initiatives were put in place to support Project Hajime. Safety and in particular “Safety For Our Future” was seen as a focus that brought everyone together. Safety goals were agreed on and the site would regularly come together to celebrate safety achievements. Family and work life balance was another focus area, and a Family Open Day allowed employees to bring their families into the operation which instilled much pride. Having fun throughout the challenging journey was also seen as extremely important and various activities generated some fun and energy in the workplace including a World Cup tipping challenge, table tennis tournament and a cooking challenge.

### **Developing our People**

The first commitment made to colleagues was to continue comprehensive internal training. An initiative known as “Hajime Grow” was launched to support employees with training and development that would assist their transition to future employment beyond Pfizer. Unlike the internal training program, much of this development was outside the focus of current roles. During the five year transition period, PGS Sydney continued to update its operational structure allowing the opportunity to provide development to employees. Secondees from the global Pfizer network were brought into the

site to continue to add a diverse perspective to the workforce. Their presence not only allowed them development opportunities but also brought new insights and perspectives to the site. Nine PGS Sydney colleagues took permanent and assignment opportunities within Pfizer globally. The important role of leadership through the Project Hajime journey was identified and a leadership program was implemented. This ensured ongoing development of leadership talent, strategic alignment and ultimate delivery of Project Hajime commitments. Towards the end of the journey, PGS Sydney collaborated with pharmaceutical and manufacturing businesses to showcase their organisations and discuss potential employment opportunities. Twelve colleagues received offers of employment through these connections. (By the time the site had closed, over 25 colleagues had received offers of employment through these connections.)

### Benefits and Outcomes

The main objective of the PGS Sydney site closure was to transfer the production of medicines to other Pfizer global manufacturing sites and exit the operation on time, whilst maintaining supply of quality medicines. In April 2018, the last batch of medicine was produced at PGS Sydney ahead of schedule. Supply reliability throughout the entire project journey remained best in class and well above industry average.

The ability to achieve this objective whilst not jeopardising the supply of critical medicines to patients could not have occurred without the support of an amazing cultural program. Project Hajime allowed PGS Sydney to retain committed employees, keep them focused, united and engaged throughout the five year journey. The “PfizerVoice” annual colleague engagement survey, highlighted that PGS Sydney were able to maintain and in some cases increase engagement satisfaction scores for the duration of the site closure period.

A further indicator of the success of the program could be seen through retention absence rates. PGS Sydney had industry best results prior to the site exit announcement but improved on these results during the project period. While it is one thing for an engaged workforce to deliver on business commitments, a true indicator of an engaged workforce is reflected by how they deliver those business results. Behaviours that exhibit an amazing commitment toward the safety of fellow workers, and equally as important a commitment to the safety of the customers (patients) that consume the products being manufactured in an operation, demonstrate engagement in its true form. PGS Sydney had always had a healthy safety culture but following the commencement of Project Hajime and the launch of the “Safety For Our Future” initiative, safety performance rose to a new level. A cross-functional team at PGS Sydney representing all colleagues created the branding of “Safety For Our Future” with the goal of encouraging colleagues to maintain a safe work environment to allow them to transition into that next step in their life. Looking after each other was a core PGS Sydney value and this safety achievement is something each and every colleague was extremely proud of.

An engaged workforce delivers quality in all they do. As a facility licenced by Therapeutic Goods Administration (TGA), PGS Sydney was audited every 2-3 years. In June 2017 PGS Sydney underwent its final inspection. The results were outstanding, with PGS Sydney given the highest possible compliance rating (Good) from the TGA, and zero Major or Critical findings, something not achieved at the site in recent memory. Project Hajime has delivered on its mission, an amazing legacy has been left.

### Summary

In 2013 a decision was made to close the Pfizer manufacturing operations in West Ryde. More than 150 colleagues were directly impacted, in addition to several million patients across Asia. An initiative to support, engage and focus colleagues during a challenging transition period was required and Project Hajime was born. The successful transfer of production operations and the final shipment of medicine produced in Sydney was achieved ahead of schedule, whilst maintaining best in class supply reliability. Project Hajime provided the structure that fostered a committed, focused, united and engaged workforce to achieve these results during an extremely challenging period.