Quality Culture & Capabilities
“Transformation journey at one of the manufacturing sites”
IPA Advanced GMP Workshop | November 2018
3 Step Approach to transform quality culture

<table>
<thead>
<tr>
<th>Diagnostic: Identify cultural issues to be addressed</th>
<th>Design: Identify cultural initiatives to address issues</th>
<th>Deliver and measure: Implement and monitor effectiveness</th>
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<tbody>
<tr>
<td><strong>Approach</strong></td>
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<tr>
<td>▪ Conduct a comprehensive diagnostic</td>
<td>✓ Designing interventions and cultural initiatives around Influence model</td>
<td>✓ Implement all cultural initiatives across one of manufacturing sites</td>
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<tr>
<td>✓ Quality culture survey for 750+ employees</td>
<td>✓ Refine based on top management inter-views &amp; key stakeholder inputs</td>
<td>✓ Design and implement review cadence for all initiatives</td>
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<td>✓ Focus group discussions with 90+ employees</td>
<td></td>
<td>✓ Track key input and outcome metrics to measure the impact</td>
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<td>✓ Structured interviews with plant leadership</td>
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<td><strong>Deliver-ables</strong></td>
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<td>▪ Clear articulation of mindset shifts to be targeted</td>
<td>▪ Set of cultural initiatives to drive the desired mindset shifts</td>
<td>▪ Rollout of initiatives</td>
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<td></td>
<td></td>
<td>▪ Metrics to track impact</td>
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4 mind-set shifts targeted

A  Quality focus  B  Quality ownership  C  Quality empowerment  D  Confidence / All time audit readiness
8 Initiatives prioritized to drive cultural shifts

1. Drive a comprehensive communication work plan to reinforce the importance of quality: clear communication on what is expected; people agree to it

2. Design and implement cross-functional forums (through existing work-teams) to empower shop floor employees to take ownership of quality improvement

3. Strengthen Gemba walks by site leadership to reinforce key mindset shifts, and to build quality ownership, and confidence on the shop floor

4. Build middle management capability (HoDs, RLs and TLs) to role model right behaviors

5. Build key technical skills (Understanding ‘why’ of unit Operations) and functional skills (effective engagement with auditor, problem solving) for shop floor employees

6. Drive periodic shop floor best practices campaigns to improve worker practices, e.g., gowning, documentation practices etc.

7. Drive a structured quality recognition program and establish rituals to celebrate quality

8. Strengthen LDMs into a robust shop-floor management system (including visual dashboards) to drive cross functional collaboration in problem-solving and issue resolution

A. Quality focus
B. Quality ownership
C. Quality empowerment
D. Confidence / All time audit readiness
Driving comprehensive communication work plan

- Town-hall / Plant-wide energisation covering all employees
- Print media – stickers, posters, standees, newsletter – at visual locations across plant (quality oath, etc.)
- Messages and Videos on Shop floor TVs / Digital Notice boards

Driven 50+ communication initiatives to improve understanding and conviction
Dr. Vasi, I have so many questions around labelling?

Don't worry Chitti!

I am the labelling Guru and I will answer all your questions.

Quality ambassadors launched

The communication ambassadors helps in communicating messages around campaigns and other best practices through Digital Notice Boards, posters etc.
Cross-functional forums to empower shop floor employees

- Idea Generation & Idea Prioritization
- Implementation Tracking
- Detailed Implementation Plan
- Idea wave
- Idea cleaning and sign off

250+ ideas generated for improvement
Strengthening Gemba Walks & Role Modelling right behaviors

Snapshots

Gemba walks (or short Gemba) refers to managers’ obligation to visit the place where value is created, to gain new insights and identify improvement opportunities through direct observation and engagement and to role-model desired behaviors.

- Training completed before initiating focused Gemba walks for Site leadership & HODs
- Role Modelling right behaviours through capability building
### Imparting Talent and Skills – e.g. building in confidence

<table>
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<tr>
<th>Interventions</th>
<th>Description</th>
<th>Sustainability</th>
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</table>
| Class room sessions by expert facilitator | - Program designed to address mindsets hindering effective engagement with auditor / senior leadership  
- Class room session by expert facilitator covering 90% people, on the shop floor  
- Mix of verbal delivery & roleplays addressing "Priorities & Beliefs" and "Emotional Control"  
- Messages: Senior leadership & auditor is your friend | Timely refresher sessions delivering similar messages |
| Digital Notice Board (DNB) communication | - Weekly messages on effective interaction flashed on all the digital notice boards across the site for improved visibility | Weekly messages |
| Shop floor audit simulation | - Interviews conducted on the shop floor by on-site and cross plant executives from Dr. Reddy’s  
- Operators and supervisors challenged with ‘Audit-like’ questions followed by coaching on appropriate behavior and answers | Continue as part of plant Gemba |
Rewards and Recognition Program towards Quality

Award Themes

1. BEST REPT WORK PLACE
2. ZONE LEVEL SAFETY
3. LOW WORK TEAM
4. STAR CAPS: SAFETY, QUALITY & ESD
5. HAIZEN - COST, QUALITY, SAFETY, PRODUCTIVITY
6. SPOT AWARDS
7. EXCELLENCE IN DELIVERY (S&D)
8. BEST INCIDENT INVESTIGATION / BEST INVESTIGATION REPORT
9. OHS - INVALID
10. EXCELLENCE IN ENABLING
# Focused shop floor campaigns

**Shop floor practices campaign** (prioritized for roll-out over next 8-10 weeks)

| 1 | Gowning, Hygiene and discipline |
| 2 | Labeling |
| 3 | SOP vs. practice |
| 4 | Documentation |
| 5 | Facility Upkeep |

- Daily messaging at the LDM board
- Gowning Demo in change rooms
- R&R for effort in campaign
- Labelling practices awareness campaign
Lean Daily Management – Shop Floor Management Principle

A
- Metrics
  - Focused relevant metrics
  - Visual tracking
  - Accurate recording

B
- Performance dialogues
  - Standardized practices
  - Regular discussions

C
- Problem-solving in place
  - Cross-functional participation
  - Visual and actionable problem solving (identification of actions, tracking, and completion)
  - Escalation mechanism through cascaded dialogues

D
- Shop floor role modelling through Gemba
  - Observation & engagement
  - Coaching and problem solving
Impacts from Interventions (1/2)

- **Quality is more important than delivery**
  - Baseline Oct'18 Revised Target
  - 2.53 3.85 4.0

- **I am responsible for Quality**
  - Baseline Oct'18 Revised Target
  - 3.13 3.84 N.A

- **I have authority to drive Quality Outcomes**
  - Baseline Oct'18 Revised Target
  - 3.16 3.90 4.00

- **I am all time Audit Ready**
  - Baseline Oct'18 Revised Target
  - N.A 4.23 4.25

- **Biggest impact**: Operators and SMEs look straight into eyes of visitor and answer any queries asked.

- **Biggest impact**: Operators and SMEs don’t feel scared to say “I don’t know” – let me come back to you.

- **Biggest impact**: Operators and SMEs started correcting / objecting inappropriate behaviours of seniors / visitors when observed.
### Impacts from Interventions (2/2)

#### Key Quality Metrics

<table>
<thead>
<tr>
<th>Metric</th>
<th>Baseline</th>
<th>Current</th>
<th>Improvement</th>
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<tr>
<td><strong>Average Investigation timeline</strong></td>
<td>Baseline: 63%</td>
<td>Current: 27%</td>
<td>-63%</td>
</tr>
<tr>
<td><strong>Investigation quality Scores (%)</strong></td>
<td>Baseline: 97%</td>
<td>Current: 38%</td>
<td>+27%</td>
</tr>
<tr>
<td><strong>Open overdue CAPA</strong></td>
<td>Baseline: 97%</td>
<td>Current: 62%</td>
<td>-97%</td>
</tr>
<tr>
<td><strong>Invalidated OOS ‘000 tests</strong></td>
<td>Baseline: 62%</td>
<td>Current: 38%</td>
<td>+27%</td>
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</table>
Thank You

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Dr. Reddy's

GOOD HEALTH CAN'T WAIT