



Acraf-Angelini



### Benefits at a glance

- ▶ *Customer service levels improved from 75% to 95%*
- ▶ *Supply chain performance and reliability improved*
- ▶ *Efficiency savings of more than €2 million*
- ▶ *Inventory reduced*
- ▶ *Continuous improvement culture embedded into company*
- ▶ *International roll out*
- ▶ *Oliver Wight Class A certification for planning and control*

## Customer profile

### Performance-boosting remedy

Italian pharmaceutical and healthcare product manufacturer, Acraf-Angelini, has seen a step-change in its operations thanks to its Sales & Operations Planning project with Oliver Wight. The company has achieved Class A performance, and boosted efficiency and service levels, generating savings of €2 million.



Established in Italy in the early 20th century, Angelini is today, an over €1 billion turnover international group. As well as manufacturing and marketing pharmaceutical and healthcare products, Angelini is also active in the agriculture and real estate sectors; its pharmaceutical products can be found in over 60 countries and the company has subsidiaries in Italy, Spain, Portugal and Eastern Europe. It also has a stake in the major Indian pharmaceutical company, Elder Pharma. Angelini's pharmaceutical division, based in Italy in Rome and Ancona, has one of the highest quality and most comprehensive product ranges in the market, including prescription medicines, over-the-counter (OTC) pharmaceuticals, herbal and natural remedies, along with disinfectant and first-aid products. Acraf Angelini is one of the top five companies of this type in Italy, turning about €300 million and employing over 1,200.

Notwithstanding the company's general state of good health, the new Millennium heralded some fresh challenges: inefficient demand management was creating production instability, bringing with it a surge in buffer stock to compensate for short-term variations. As Angelini's supply chain director, Doctor Egiziano lencinella recalls: "Back then, there were no adequate key performance indicators in place to monitor the business and we had no sales and operations planning cycle to manage the company." Communication within the company was also not the best, creating

diminished motivation and trust among the workforce. All this, says lencinella, was exacerbated by changes in the market, plus the increased complexity brought about by the company's business acquisitions and growth in its product portfolio.

lencinella had previous experience of Sales & Operations Planning (S&OP) when he worked in an Angelini/Procter and Gamble joint venture. "I knew we needed the same philosophy if we were to grow our business without taking

unnecessary risks. We started to implement it ourselves, but progress was slow, so I decided to call in ‘the S&OP founders’, Oliver Wight, to help propel the project forwards.”

Oliver Wight were appointed following an initial assessment and presentations to the senior management team. The changes came thick and fast: “We very quickly got the commitment of the directors to organise the company around S&OP,” says Iencinella. Oliver Wight became the support for Iencinella and the project team to manage progress; highlight the issues; resolve cultural complexities; and pave the way to improvement. In the early days, this meant having to overcome the doubts of some managers over the new way of doing things. “Oliver Wight really helped get everyone thinking the same way about the business: by implementing a full process review we were able to align all our key activities and workflows to best practice. That really helped create a true sense of belonging for all employees and it provided the foundation for a solid continuous improvement process. We became enthused with the project and that really was the crucial element for us to see it through to fruition.”

The effort paid off when, two years later, Acraf-Angelini achieved Class A certification for planning and control. Changes within the business have been enormous - Angelini is now a very different company to the one it was when the project began; as Iencinella says: “The project objectives at the outset were clear: we had to improve customer service levels from a position of below 75% (it reached 95% in two years); we had to improve the performance and reliability of our supply chain; we needed to link our industrial operation with our commercial operation if we were to deploy a long-term strategy; and finally, we wanted to establish a company mission and supporting culture within the Angelini Group.”

Clearly, this entailed much work by Angelini personnel but, supported by expert mentoring and coaching from the Oliver Wight consultants, the company achieved its goals – and more besides. Iencinella says the business benefits for Angelini have been significant: “Over the duration of the project so far, we estimate that the process improvements and efficiencies we’ve gained have delivered savings of approximately €2 million. The results are visible in many areas across the business: manufacturing efficiency has improved; we’ve reduced stock; improved customer service; and introduced new initiatives to boost purchasing performance and create a truly continuous improvement

culture throughout the company.” Iencinella says he would have no qualms about recommending Oliver Wight to other companies. “Oliver Wight have steered us through this project with a highly practical and pragmatic approach. Everyone in the company has respect for the Oliver Wight consultants - they have profound experience and always use the right mixture of encouragement and discipline to drive people towards improvement.” In fact, he says, the Oliver Wight consultants were a truly integral part of the Angelini team: “They were totally committed to our cause and were always there to support us. If we hit a stumbling block, they were there with the answers.”

Savings and efficiencies on this scale have helped Acraf Angelini’s consolidate its position as market leader, and today, the company is driving forwards with common direction throughout the business, from production, to sales, to purchasing and more. And so successful has this S&OP implementation been that it is now being rolled out to other business units in Angelini’s pharmaceutical division, starting with Spain and Portugal.





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