



REAL-TIME INFORMATION MANAGEMENT

Pharmaceutical maker Merck sees flexibility needs as spur to performance solutions

In the industrial age, manufacturing decisions were made based on cost or time attributes. By the 1970s, as Germany and Japan entered world markets, quality became a significant driving force. It's been suggested that a fourth factor, flexibility, is today a key attribute vis-à-vis manufacturing systems.

But without real insight to current operations, executives often must manage using dated, accounting-based measurements. By gathering information in real time—using performance-management solutions—manufacturers at the least gain business intelligence needed to improve flexibility.

Merck & Co., a Whitehouse Station, N.J.-based pharmaceutical company known for its vaccines and medicines, is using a solution for what is called "real-time performance management"—or RPM—from Parsec Automation.

"It's become our standard solution for automated tracking of overall equipment effectiveness," says Greg Anthos, director of operational excellence at Merck. "We use it to track operations that include packaging, formulation, and vaccination processes."

What RPM offers Merck and other companies is information that allows a flexible response to ever-changing business conditions.

Focusing on cost and profitability measures for resource allocation and decision-making, says Craig Resnick, a research analyst with Dedham, Mass.-based ARC Advisory Group, RPM software includes tools to measure plant productivity, understand sources of losses, and drive improvements in asset utilization and reduced production costs.

Parsec's TrakSYS 4.0 RPM software—a suite of five applications for lean, Six Sigma, overall equipment effectiveness, and other KPI-based continuous-improvement initiatives—allows collecting, evaluating, reporting, and acting on data critical to manufacturing. "Real-time analytics" allow the software to collect, sort, filter, and convert data into information.

"Without the correct software tools, it's difficult to consistently identify, measure, and make decisions based on variables that affect their productivity," Resnick says. Merck uses the solution at 10 sites—and has five more implementations under way. Other clients include Caterpillar, Firestone, Nestlé, and Toyota.