The Value of Collaborative Issue Resolution: A Conversation with Mike Barga



Key Takeaways

- Resolving quality issues early in the supply chain prevents costly downstream disruptions.
- Collaborative problem solving is critical for fast response to global disruptions.
- A dedicated issue management solution enables data-driven process improvement.

By John Bermudez | June 19, 2020



In our recent webinar about TraceLink's Agile Issue Management Solution, TraceLink CEO Shabbir Dahod and I spoke at length with Mike Barga, Senior Director of Supplier Quality at Patheon by Thermo Fisher Scientific. Mike believes that by taking a collaborative approach to issue resolution, companies can build a network of engaged partners, prevent costly downstream disruptions, and respond more quickly to sudden changes in demand and to unexpected disruptions like the

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COVID-19 pandemic. You can watch Mike's slide presentation here.

I've selected some transcripts from the conversation that followed, highlighting Mike's vision for turning supplier management from a cost center into a source of new value:

John Bermudez: Mike, what led you to put such a comprehensive program in place to track issues?

Mike Barga: John, a lot of companies look at a supplier quality organization, and in some cases, they can look at them as being a cost area, where they're just a cost item from a financial perspective.

When I look at the issue management area, it's an opportunity to bring value back to the company. As you look at some of those numbers that I've seen across the industries, if you have an opportunity to impact $10 million, $100 million, $500 million, with more closely monitoring issues and the events that occur across suppliers, and being more collaborative in how you respond to those events, put capitals in place. That you're working together to put some preventative action or corrective action that's more robust to stop that occurrence from ever happening again in the future, you're not just saving money today. You're saving money in the future as well.

In my opinion, when that robustness around the issue management program comes into place, it's changing the supplier quality organization from a cost center perspective to actually bring value back to the company.

John: I have to ask, how did you calculate 100 million in cost avoidance? That's a pretty spectacular number. That certainly moves you from a cost center to adding value to the organization. Some insight into how you did that?

Mike: Yeah. It's just looking at where the deviations start to occur. Is similar to people that are used to designing products or services. The earlier you identify a

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defect or a design change, the less costly it is to a company. When you start thinking about deviations that could occur if they're internal or external, for example, the earlier that's identified, the cheaper it is for a company to respond and react to it.

If we take the example of a supplier, if that deviation's identified at the supplier's location, typically there's not much value beyond their operations that are being pulled into it. By the time that gets into downstream into a client or customer standpoint, they're mixing it with other products and starting to make a drug product out of it, or if it starts getting to the field, substantially, your numbers grow. That's when you start looking at the $100 million worth of impact.

You've got to look at all aspects of where those deviations occur. Because they can occur at the supplier, at receiving, through work in process where the company or client's adding value, and then out in the field. Your ability to react if those situations happen obviously drives that number up more substantially.

It's again, getting into that holistic view around value continues to drive more and more as we're putting more work in process … more operations in place. When you start talking about finished product, as many of us know on this call, it can get very costly very quickly.

John: How did you get your peers to buy into this? I think this is one of those things like exercise and eating well that everybody recognizes needs to be done, but how did you get them to buy into such a methodical issue tracking resolution process?

Mike: Great question. The first thing is patience .. .making sure you're patient in those conversations because you got to realize there's varying viewpoints on issue management. Just like you could come to a street sign and find the four different paths that you could take, you've got to be patient for those discussions.

One of the core areas, John, that we've talked about so far in this discussion is

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around facts and data. As you indicated, if you're able to size up a deviation or an activity, for example, and show the impact that it has, as we indicated, a deviation occurring in raw materials is pretty simplistic. It's the cost of the material, maybe you could throw in some costs from the inspection that it impacts.

If that material then gets converted into, example, a biologic area and then it's 30 days into a manufacturing process, that hundred thousand dollar batch, for example, could turn into multiple million dollars.

It's really sitting down and being able to have a factual discussion that shows, here are the number of issues and deviations that we've experienced over a certain period of time, and being able to show if we can touch those and address them before they get more and more impactful, then our ability to release products is much easier, much faster, and more reliable and our ability to control our costs is substantially improved.

Being able to sit down and talk that factual discussion with your peers in operations, in quality, in procurement, finance, engineering, you typically see them get on board. That's why I think there's also that focus, John, as we've had in the last couple of minutes, around cost.

You've got to take the data out of a system like Agile Issue Management and convert it into cost to be able to have that discussion. Once you get them on board, the system and the activities are speaking for themselves.

John: Mike, one of the interesting things you said to me a week or two ago about issue tracking was not to make reducing the number of issues the main goal. It's a very interesting comment. Can you explain that?

Mike: Yeah. Good question, too. I will also preface with, I don't know that everybody sees the viewpoint the way that I do, but you're right, John. I actually don't want to see the number of issues or deviations coming into the system reduced.

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In my opinion, if you're starting to drive reductions in deviations, there's an alternate view of this where you also could be encouraging people not to speak up or encourage them not to talk about issues or deviations. As you think about continuous improvement, what's an issue today may not necessarily be an issue tomorrow because those issues should be coming...you're basically peeling those onion layers back and you're getting more into the weeds.

By encouraging people to report out when they see something, when they see a deviation, when they see activities, those numbers you want to see flat if not grow over time because you want that voice to be heard. You want the ability to be able to react.

If those numbers are going down, I'd be scratching my head thinking back, what's changed? They don't just get eliminated as we talked about. There's always something, and it's around getting that information out. How you react to that will change over time, but you still need to make sure that that volume of issues continue to be reported out.

John: Regarding the issues you've learned, issue management will improve their response time, obviously. I think Thermo Fisher responded with a new test very quickly when we needed it for COVID. Do you see that as a great help for responding to issues like that?

Mike: Yeah, absolutely. When you look at collaboration in a tool like Agile Issue Management, it's around communication. At the end of the day, it's around how can we communicate more quickly together but more effectively, more efficiently?

When that communication trust is set to build up, as we even talk about not having the number of issues go down but being steady or increasing, the opportunities to have those discussions and dialogue with your suppliers internal or external increase.

If you're able to work together, collaborate together, look at processes in similar

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ways, and challenge each other. It's not about pointing a finger, it's about challenging and making sure that there's fixes and the operations are being improved at the end of the day to drive the best product and service for our customers and patients that we can put out there.

When you start thinking, John, into building that trust, building those communications and collaborations, when you have items like a pandemic and COVID, then when things start to creep in, you've already built that trust so your reaction time is so much faster.

You, along with your supply base, understand their operations as well to be able to give that helping hand to work even remotely and not being on site, and understand what their line operations look like and how they can respond. Absolutely, I think it's truly foundational for that perspective because it helps build that trust and support network that we're looking for.

John: Thank you, Mike!

Digital pioneers wanted: Join the Agile Issue Management Innovation Forum

If you liked what you heard from Mike Barga, I'd like to invite you to join TraceLink's newest Cloud Community Forum and help us define the future capabilities of Agile Issue Management. The goal of this forum is to identify multi-company use cases where better collaborative processes can generate the kind of value that Mike's issue management projects have created.

Email me atjbermudez [at] tracelink.com (jbermudez[at]tracelink[dot]com) and I will send you an invitation to the next meeting of the Agile Issue Management Innovation Forum.

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