

Strategic outsourcing primes Nycomed for the new NHS

In a business environment marked by uncertainty and a shift from national to more targeted, localised coverage, finding the right balance between internal and external resources becomes a key strategic consideration, not just an ad hoc tactical response, finds *Peter Mansell*
Photos by Magnus Rew

For Nycomed, the emerging landscape of NHS commissioning and care has prompted a radical shift towards a virtual company model that embraces flexibility yet maintains strategic coherence by integrating outsourcing partners seamlessly into the business.

Nycomed has been in the UK market for just over 10 years, in which time its parent company has acquired ALTANA Pharma as well as undergone a number of restructurings, usually driven by external or internal events such as patent loss.

Last year, however, Nycomed took the proactive decision to remodel its business “not because we had to but because we recognised the marketplace in the UK was going to require a

different skills base and a completely different level of flexibility”, explains managing director Melissa Thomas.

The new model was implemented last November, and Nycomed now has a core UK team, with 17 permanent staff since January this year, which it supplements where needed through outsourcing. As part of this process, the company has transitioned from therapeutic sales teams to a portfolio approach sensitive to geographical variations. Three commercial directors each work with one or two regional account managers and take full profit and loss responsibility across the portfolio.

“There’s no point in going to a primary care trust or a local health board when actually the area you’re working in is of no interest to them,” Thomas comments. “You’re better

placed by matching your interests with the priorities of the individual health economy.”

A three-way relationship

Nycomed’s commitment to outsourcing is exemplified by its triangular relationship with the HR Division of Apodi, the specialist outsourcing organisation and recruitment specialists VMC. The partnership has successfully evolved over the past three years, creating a platform for outsourcing in other core business areas where resources are not needed on a daily basis, such as IT, regulatory affairs, clinical development, commercial supply chain, business intelligence and the bulk of the commercial team. The commercial directors and RAMs are responsible



Mark Murphy, business unit director, HR, at Apodi



Melissa Thomas, managing director of Nycomed UK



Claire Frost, resourcing manager at VMC

for developing and implementing the strategy “to the point where momentum is achieved”, Thomas notes. They then look for the optimal resource to realise full implementation and pull-through. “And that could be a traditional sales resource or it could be something completely different, like a pharmacist, a nurse, a health economist, or an investment in a project that’s already occurring in that area,” she adds. The aspiration is to “create a virtual company with access to such a wide range of skills and expertise that we will have the same opportunities as major companies that retain all those functions within their organisation”, Thomas says.

Moreover, with a small core team and with regional responsibilities in the hands of the commercial directors, “you don’t have the layers that create the red tape”, Thomas observes, citing a two-week turnaround on a recent opportunity to put some short-term resource into Northern Ireland.

This is where Apodi’s and VMC’s close understanding of Nycomed’s values, strategies, operating style and culture really pays off. “Once the decision’s made, we can just go and do it,” Thomas comments.

Mark Murphy, business unit director, HR, at Apodi, says Nycomed was “quite brave” when three years ago it decided to challenge the norm and outsource the whole of its HR function to Apodi. It was essential the company chose an organisation that really understood the pharma industry, and Apodi “is the only HR outsourcing business with a unique heritage in pharma and outsourcing”, he points out.

In this time Apodi has provided a tailored HR solution to support Nycomed’s business. The HR support works in three ways: the provision of an HR business partner who works closely with managers and staff on a day-to-day basis; transactional HR support – Mark sits on Nycomed’s monthly senior leadership meetings to ensure the company’s people strategy is developed and maintained; and close liaison with

Nycomed’s corporate HR function, which includes attending its global HR conferences.

Nycomed wanted a “virtual HR capability” that could flex with its changing needs without its quality or service delivery being affected. “Its open approach to working with partners means we can get close and really add value, and I think this is what has made the relationship work so well,” says Murphy. “For example, Nycomed recently shared its key initiatives with Apodi, VMC and other partners, so we can all contribute to its success.”



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A similar openness characterises Nycomed’s attitude to recruitment, says Claire Frost, resourcing manager at VMC. “Working with Nycomed as resourcing partner ensures VMC has an intimate knowledge of its requirements and can talk with credibility and depth about the company, the products and the culture.”

The recruitment process represents Nycomed, its values and its ways of working. VMC manages the process in its entirety, designing and participating in screening, first interviews and assessment centres.

In the past, many companies have been reluctant to use just one resourcing company, she notes, as they feel this may limit their access to the overall candidate pool. “In fact, this is not the case and

working as a resourcing partner ensures not only absolute focus on vacancies but also delivers the right candidates to the client in the timescales needed, keeping client management time to a minimum. The Nycomed partnership works exceptionally well for us all and the feedback from candidates has been very positive.”

That is what makes “a true partnership”, Thomas says. “You don’t just go to your partners and say, this is what we want you to do, you engage them in determining what is the best thing to do”.

The model continues to evolve, not only by drawing in more partners but in its day-to-day operation. “We haven’t said, that’s it, we’re sorted,” Thomas stresses. “We challenge the way we operate constantly”.

Another advantage of outsourcing is that it avoids the cultural “stagnation” inherent in “having the resource because it’s always been there”, she adds. If flexible or contract roles have historically

been the “poor relation” of full-time positions, in today’s climate “I believe our goal should be to give people breadth of experience”.

What they gain from working in these positions, and from the many outsourced resources they can draw on, “will enable

them to grow and develop beyond what they might achieve in a very specific role within an organisation”, Thomas believes.

All of this reflects an environment in which little can be guaranteed. With the implications of the government’s NHS White Paper still unfolding, Nycomed wants to help shape that future “but the reality is, we need to be responsive”, she notes.

“Nobody knows what it’s going to look like. So if you’re in a big structure, what do you do? Do you sit tight, start to make changes now, do you follow, lead? We don’t have that problem because we have what we need within our business to make the right decisions at the right time. And we can move very quickly with our partners to get the right resource at the right time.”