



Global Biopharmaceutical Company Recognizes Annual Operational Savings of \$60,000 per Facility with Avetta

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Senior Safety Construction Specialist
Global Biopharmaceutical Company

1
COUNTRY

2002
ESTABLISHED

2005
MANUFACTURING SINCE

28K
EMPLOYEES (VARIABLE)

27.9M
REVENUE THRU JUNE¹

359%
3-YEAR GROWTH¹
¹ PARENT COMPANY 2010

With a workforce of 28,000 this, this research-based biopharmaceutical company has a strict internal safety initiative and needs to make sure contractors are properly trained, certified and reviewed according to OSHA standards. With Avetta the company recognized annual operational savings of \$60,000 per facility and dramatically reduced administrative burden with a robust supply chain risk management solution.

Key Solutions

- Reduced administrative burden with supply chain risk management solution
- Saved time and money sourcing approved suppliers
- Annual operational savings of \$60K per facility
- Improved contractor review process

THE CHALLENGE

Faced with a ballooning administrative workload, combined with the refusal to compromise his company's strict safety standards, a Senior Safety Construction Specialist in North Chicago had a decision to make: hire more staff and absorb the cost of salary, health care insurance, and training—or look for a more efficient and cost-effective approach to de-risking his supply chain.

His company, a global, research-based biopharmaceutical company with a workforce of 28,000, has set a strict internal safety initiative referred to as “Global Technical Standards.” It's the job of this Senior Safety Construction Specialist to make sure contractors at his facility are properly trained, certified, and reviewed, according to OSHA standards. “We do just about every job that can be imagined: asbestos abatement, lead abatement, confined space, excavations, fall protection, crane lifts, helicopter lifts—we cover it all,” he reports.

But with several hundred contractors working at his site alone, managing them all and meeting company goals had become too much work for one person. “Our standards state that all contractors must have an EHS review at least every two years,” he says, noting that these reviews had been done in-house and by hand. “With hundreds of contractors, there was always somebody up for review every week. And we could just never get to the point where we were consistently doing two-year EHS reviews for each of them.”

A Call for Automation

The problem wasn't just the amount of time required to execute the reviews. Internal staff had no automated way of knowing who was due for review, whose review was late, or who hadn't been reviewed yet. “There was no trigger in place that would tell us,

‘Hey, these five contractors are up for review in 90 days, 60 days, 30 days, two weeks out,’” he recalls. Instead, he could only learn whether a contractor was due for review if he checked the paperwork stored in file cabinets at his office—and he would check the paperwork only if it occurred to him that the contractor hadn't been reviewed in a while. Inevitably he would discover multiple reviews that were overdue.

Meanwhile, paper continued to pile up in those file cabinets. The company generated loads of paperwork and manuals—and the physical office started to run out of space. Keeping records for every contractor in manila folders also meant it was tedious and time-consuming to look up information. Researching a contractor's EMR (Experience Modification Rate) or OSHA 300A logs, for example, could mean scanning through hundreds of pages.

Inferior Database

The company did have an electronic database of information for contractors, but it did not provide detailed information, such as certifications or training—not even an indication of whether the contractor was qualified to perform work onsite. The database was created as part of a contract management application built on Lotus Notes, and it was designed for the Contract Administration department at the company. While it may have served that department well, the Lotus Notes application was never intended to help someone manage hundreds of contractors along with all the EHS information he needs to collect, such as safety manuals, insurance paperwork, and incident reports.

With overflowing file cabinets, an increasingly complex supply chain, and the ever-present concern over contractor risk, something needed to change.

THE SOLUTION

Recognizing that without an automated system he could not comply with the company's Global Technical Standards, the Senior Safety Construction Specialist approached his managers and suggested they look into a third-party vendor to assist with supply chain risk management. They contacted three different companies, including Avetta, and had each present before the evaluation team, which included individuals from contract administration and directors from other departments outside of Health & Safety.

After the vetting process, the team was unanimous in its selection. "Avetta offered a bit more than the others. The application looked really easy to navigate. The flag system was really easy to understand," he recalls. "All of our internal stakeholders were for Avetta."

One Centralized System and Contractor Buy-in

Today, staff members in the purchasing department will log in to Avetta, check whether a contractor is in the system, and then verify the contractor's flag color. If a prospective contractor is not in the Avetta system, the buyer will let them know they have to enroll, comply with the program, and send in their EHS information. And the good news—it's been working for contractors and the client alike.

Contractors have been complying, and the process of issuing POs is easier than ever. Contractors, in some cases, are leveraging the system to make changes or improvements in their business practices. A few have shared that the system has made them go back and look at their safety program and get more training—and that simply didn't happen before.

Communications before Avetta is described this way: First prequal form would be sent to the contractor. Then, they'd fill it out. It would take them a week, sometimes longer, to send the information back. And then it may be incomplete. Then, someone needed to contact them to submit the remaining information. It could be several weeks before everything was finally submitted. With Avetta, this no longer happens.

Retiring the File Cabinets

According to the Senior Safety Construction Specialist, the critical task of checking on contractors is now easier and faster: "I can type in the name of any contractor and see everything at my computer—versus going to a filing cabinet, pulling out their folder, and then looking through hundreds of pages to find what I want. Now I can see everything in one application," he says. "It's much, much easier and more efficient."

The Avetta dashboard is especially convenient and instantly conveys the high-level information. "That front page just says so much. I can see everything that's going on," he says. "I just check the pie chart at the top of the home screen, and I can see which contractors are green, yellow, and red. I type the name of a company and they automatically pop up. I can look at their profile. I can go deeper and look at documents, such as their confined space program or their OSHA 300 log. Being able to go in and look at all that stuff is so easy."

THE RESULTS

Today, the biopharmaceutical organization is one of Fortune Magazine's "World's Most Admired Companies" (2015). Asked how Avetta helps the most, the Senior Safety Construction Specialist is unequivocal in his response: "Avetta definitely saves us time and money in terms of sourcing great suppliers."

In fact, he calculates that the value of Avetta is equivalent to hiring one employee for his single facility alone. "If we didn't have Avetta, we would have to hire someone to manage contractors at this site full time—around \$60,000 per year plus benefits—and we could keep that person busy all year long."

Risk Reduction

The new platform has proven to dramatically reduce supply chain risk across the company. The Avetta solution promotes compliance with the organization's Global Technical Standards while keeping up with industry best practices. Staff admits that prior to deploying Avetta, "we weren't where we needed to be. Big companies are utilizing third-party outfits such as Avetta to perform the EHS review. We're realizing the benefits of the solution and getting everybody onboard."

Industrial Marketplace

Once a contractor has enrolled in Avetta, it gives them the opportunity to work with other companies in the Avetta ecosystem that need their services. "We were looking for a rigging contractor, so I went on the Avetta site and found somebody that was local. They were already green flagged, so we hired them and we continue to use them to this day," shares the Senior Safety Construction Specialist.

Ultimately, the goal is to have all contractors meet the qualifications for a green flag, which would help in meeting the organization's strict safety standards. Recently, the company received the "Sustainability Gold Award" from the Institute for Supply Management.

"We're moving forward working with Avetta and making sure that we have safe contractors working on our property," he says. "What seemed impossible before is definitely achievable now."

Avetta provides a cloud-based supply chain risk management platform. Our global solution is uniquely designed to connect the world's leading organizations with qualified suppliers, driving sustainable growth. Our SaaS subscription software is used by 50,000 active customers in 100 countries. We build trustworthy bonds through responsive technology and human insight. Our process is collaborative, and our global reach is complemented by our local expertise. Over 300 of the world's biggest organizations depend on Avetta to align their supply chains to sustainable business practices. Discover more at [avaxta.com](https://www.avaxta.com) |

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