



COMPETENCY: OPERATIONS
INDUSTRY: TECHNOLOGY

CASE STUDY

THE CLIENT

Cevena Bioproducts Inc. (later Natraceutical Canada) was a spinoff biotech start-up company from the University of Alberta in Edmonton. The company manufactures supplements from grains that have shown in clinical studies to deliver multiple health benefits, including cholesterol and weight reduction.

THE CHALLENGE

Like many start-up operations, Cevena required assistance to commercialize the manufacturing process, reduce production costs and provide product consistency from a quality and quantity standpoint.

THE APPROACH

An Osborne Principal was hired as Interim Vice President of Engineering and Manufacturing with the mandate of defining the current production costs, to develop a plan to reduce those production costs at the current location or find an alternative location to do so, and to identify reasons why the bench scale process was not repeatable at a commercial scale.

THE RESULT

A multi-faceted plan was developed to reduce production costs. Subsequently, the company was purchased by a global enterprise (Natraceutical Group) that added additional capital, technical expertise and worldwide marketing support. The Osborne Principal was requested by Natraceutical to remain with the organization to assist with the ownership transition and implementation of the plan; the Principal also assumed the lead role for research and development at the time.

As a result, production costs were reduced by 70 percent to commercially viable levels by tripling plant capacity and converting to a commercially available raw material. Doing so also resulted in a reduction of raw material inventory by 90 percent. Lastly, the overall production process was vastly improved so that product quality was consistent and met quality requirements.