

U.S. pharmaceutical industry is studied

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A new study concludes the U.S. pharmaceutical industry might be wasting more than \$50 billion every year in manufacturing expenses.

The finding is part of the largest empirical study ever performed of pharmaceutical manufacturing and the U.S. Food and Drug Administration's monitoring policies.

The study was conducted by Jackson Nickerson, professor of organization and strategy at Washington University in St. Louis, and Jeffrey Macher, assistant professor of strategy and economics at Georgetown University.

"We undertook the project to understand how the FDA regulates and pharmaceutical manufacturers produce, so we could see where there may be conflicts that inhibit advances in manufacturing," Nickerson said.

"Our policy goal is to understand both sides of the coin so that we could contribute to improving the regulatory environment, thereby altering the pharmaceutical industry's incentives to maintain and in some cases enhance product quality but for a much lower cost."

The researchers collected data from 42 manufacturing facilities and determined companies extensively using information technology displayed superior manufacturing performance compared with other firms.

They also found the lower in the ranks a company allows employees to make decisions, the higher the company's overall manufacturing

performance.

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