
NOVARTIS TO SLASH 1,400 US JOBS



Novartis AG (NVS), a multinational pharmaceutical company based in Switzerland, revealed their plan of removing around 1,400 jobs at its US general medicines unit to boost their efficiency in today's challenging healthcare market. The organization restructuring is projected to cost around \$85 million and job cuts will take effect on Jan. 1 2011.

Novartis spokesman, Eric Althoff, said that the company is putting its focus on increasing efficiency since the healthcare industry has been suffering from a myriad of problems in recent years, ranging from regulators who are taking a tougher stance on allowing new drugs into the market to competition from cheap generics, and increasing opposition from insurers and governments to high drug prices. "We are in a culture of continuous improvement and, as such, we always are looking for ways to improve our productivity so that we can free up resources for further investments into innovation and growth," he added.

Novartis also disclosed in a statement that it is critical to realign their general medicines field force to sharpen focus on the greatest opportunities for growth. Novartis cited that growth efforts will be employed immediately that include launching of new branded and generic drugs, boosting investment in the discovery of new vaccines and increasing sales of non-prescription drugs. Following the industry-wide restructuring, Novartis's cross-town rival Roche Holding AG (ROG.VX) also announced a big restructuring program.

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