

A SUCCESSFUL ERP IMPLEMENTATION IN PHARMA

How to ensure a successful ERP
implementation

May 10, 2022

AGENDA

10.05.2022

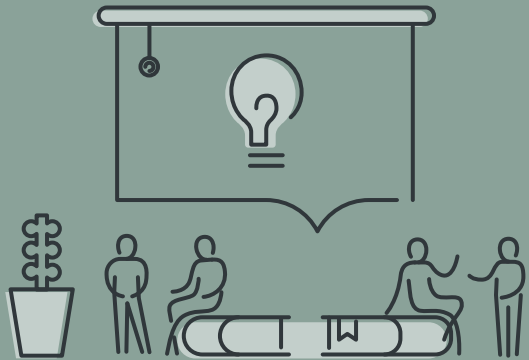
Topic

Introduction

ERP Project Approach

Deep Dives into 6 Core Elements

Questions



LOCAL ROOTS GLOBAL PERSPECTIVE

Born in Denmark with offices in Copenhagen, Aarhus, Stockholm, Malmo, Gothenburg, Oslo, Zurich, Munich, Hamburg and Raleigh, NC. With 900 consultants, multinational clients and worldwide projects, we offer expertise with a global perspective.

We believe that great organisational impact leads to great impact for humanity. Implement was created to help make true expertise turn into real change.



Founded
in **1996**



Employee-
owned



Average
CAGR of **20%**



Working
globally



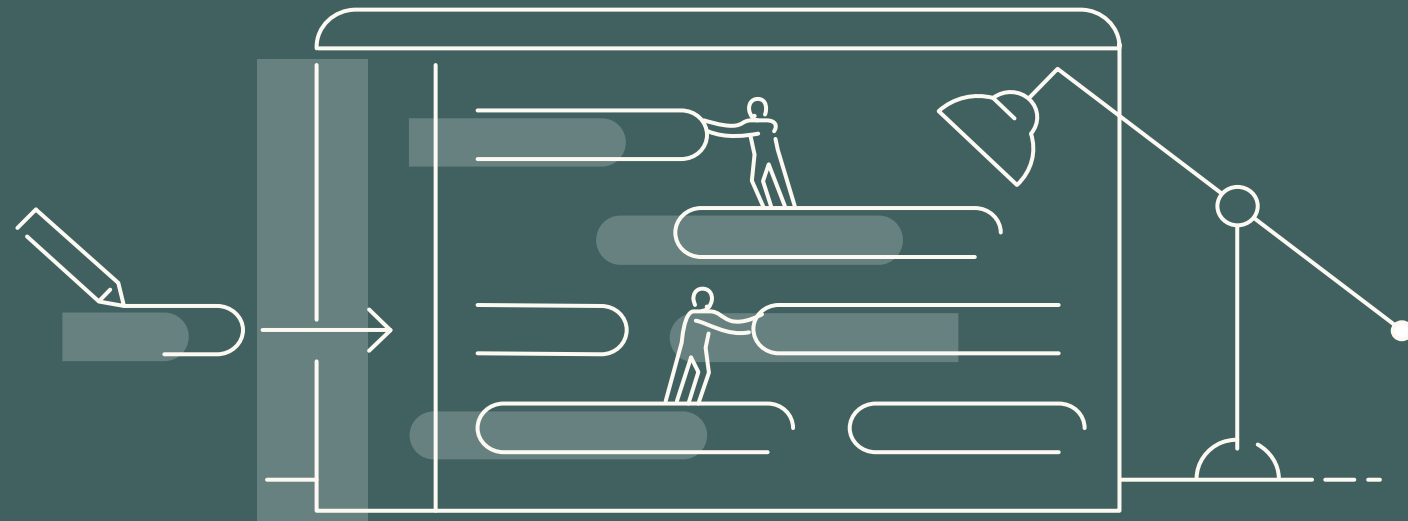
WHO AM I ?



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PHARMA ERP PROJECT APPROACH



Six major elements are key to success in pharma ERP

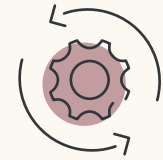
THE SIX PILLARS OF THE PROJECT



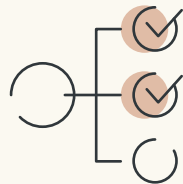
Change management
and training



Automated
testing



Transformation
of master data



Stick to
standard



Agile project
approach



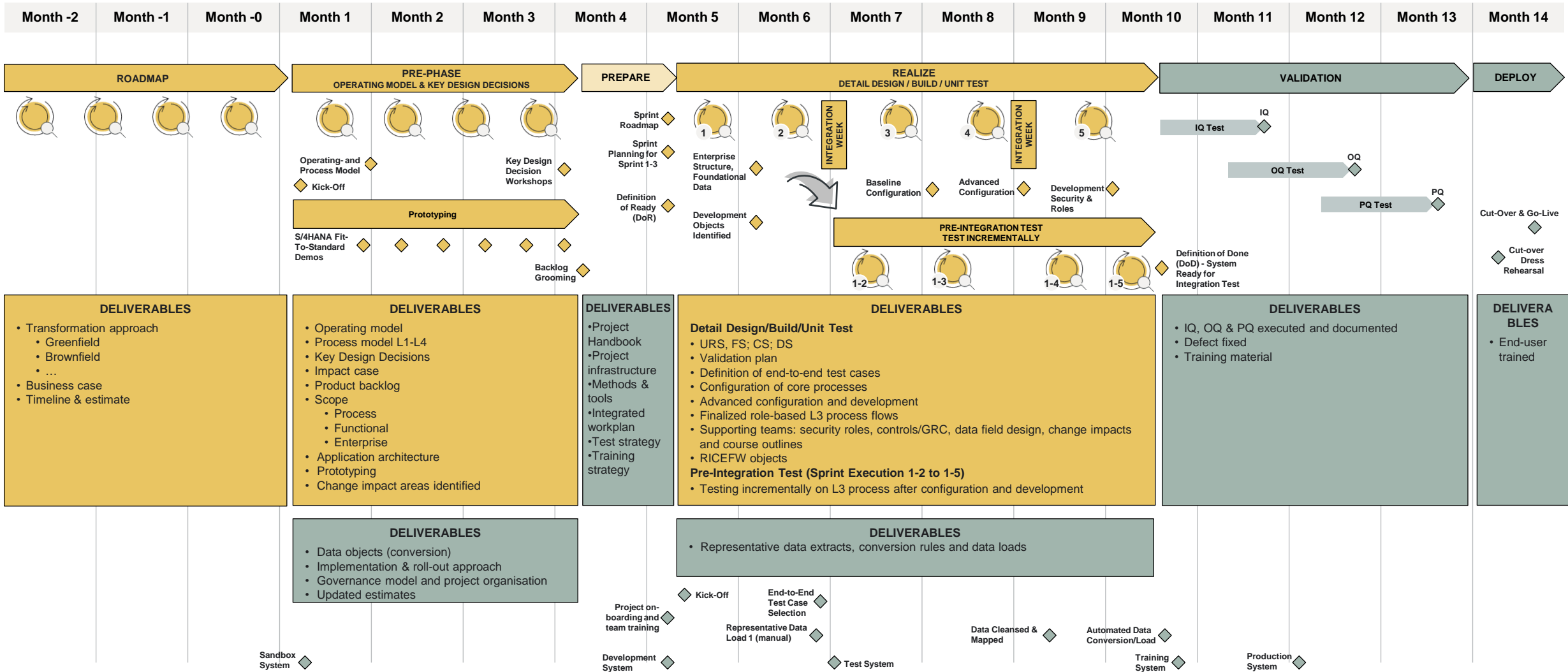
GxP
validation

Methodology on-a-page

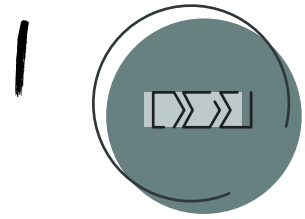
From roadmap to pilot implementation

Waterfall

Agile



A successful SAP S/4HANA project approach in life science built around **six core elements**



1 PROCESSES, PROTOTYPING & DEMO

War room process mapping & prototyping with key stakeholders in a short and fat approach



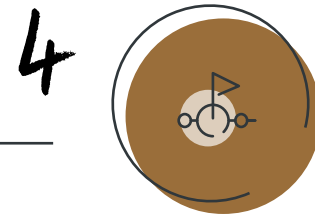
2 PROCESS ORIENTED URS

Process based URS' developed based on **prototype** and the process framework



3 SOLUTION DESIGN

Agile build of system based on Processes and URS'. Build done in sprints with continues demos



4 DOCUMENTATION, TEST & VALIDATION

Documentation, testing and validating the solution and preparing the migration of the data



5 TRAINING AND CUTOVER

Training and cutover are executed followed hypercare and handover



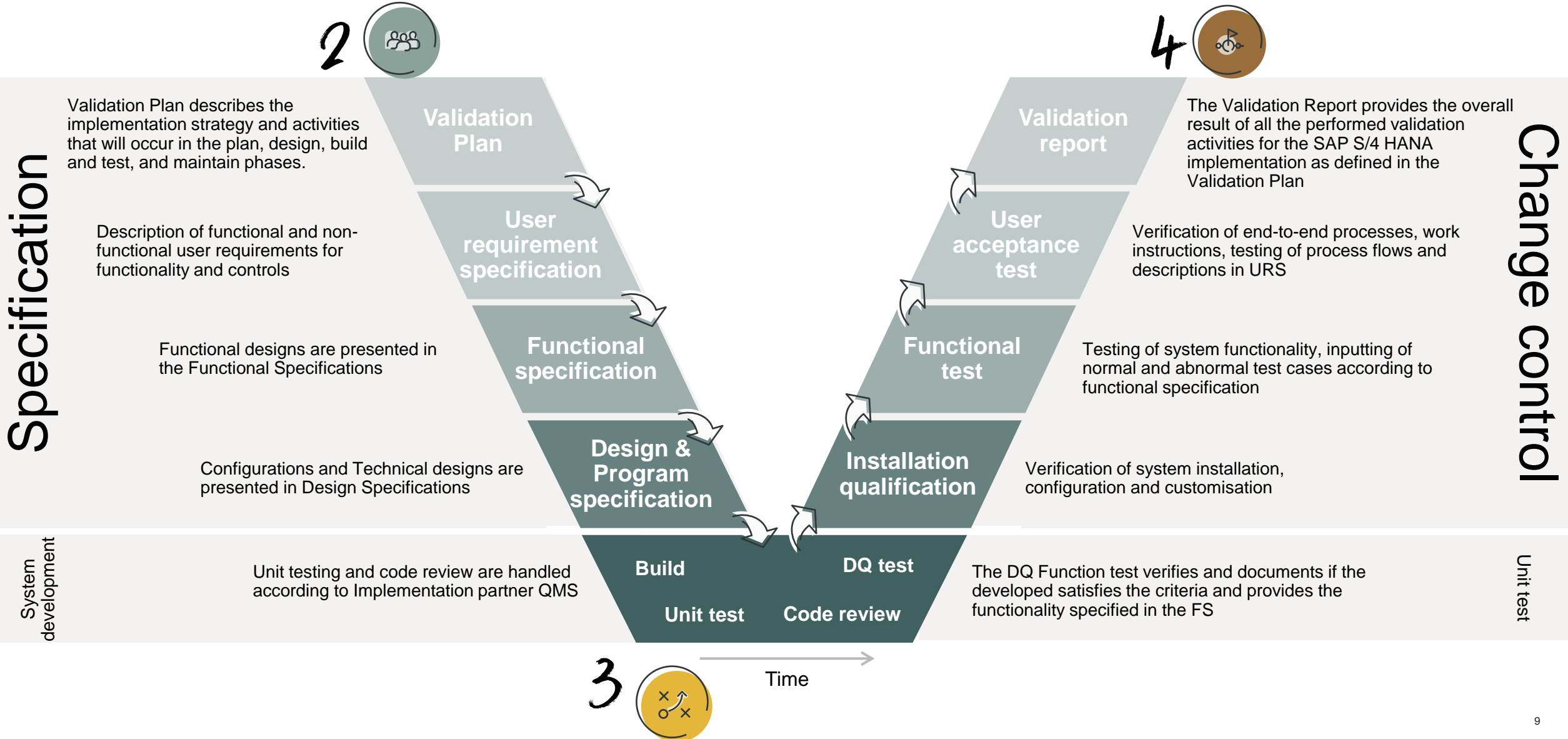
6. Project and change management

Agile project management approach: efficient project execution in sprints with fast learning loops.

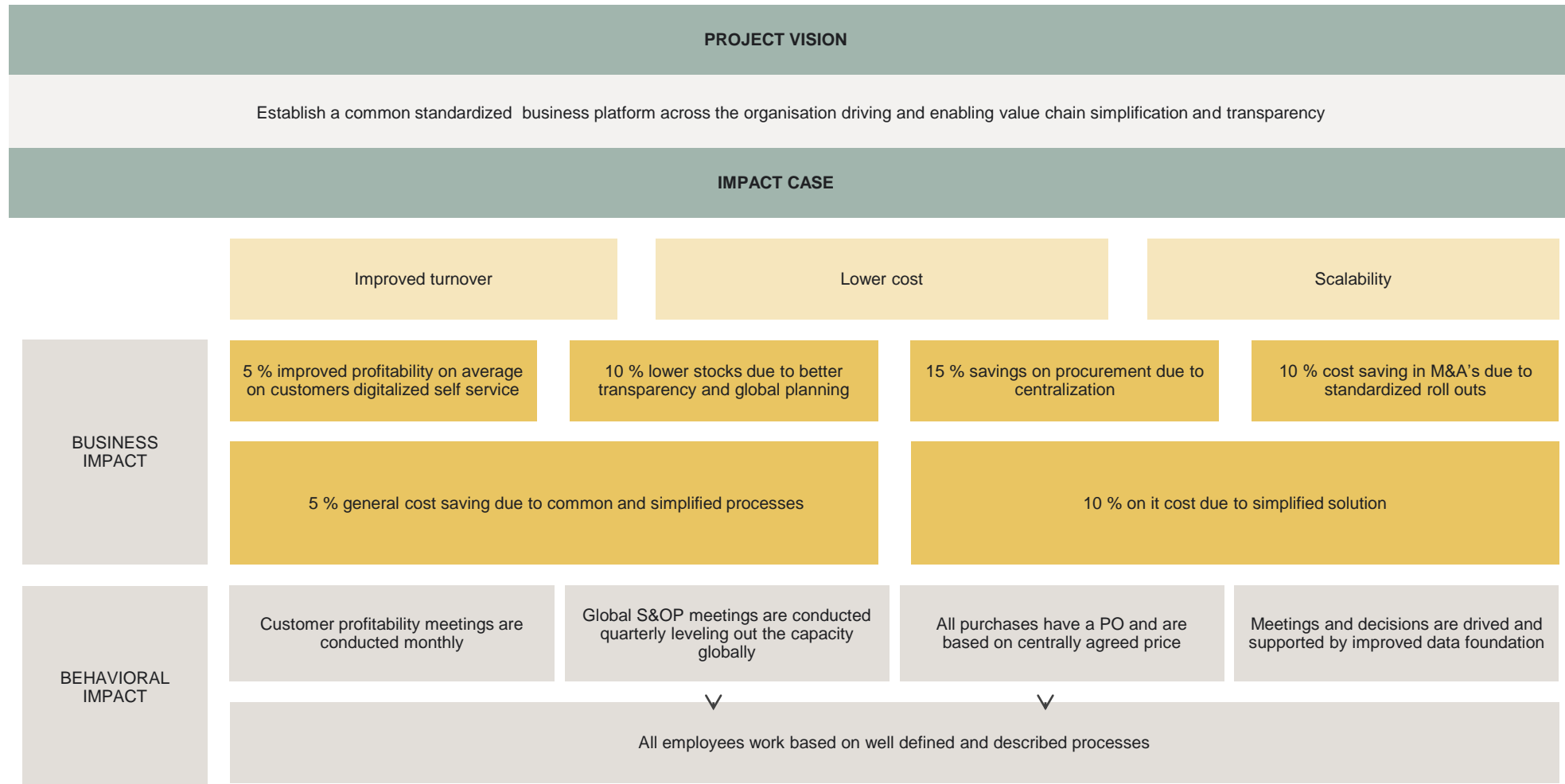
Change management: key focus on **process alignment**.

HIGH-LEVEL Validation and TEST APPROACH

SAP S/4HANA is a critical GxP and SOX system that follows GAMP5



Once the future processes is defined and the prototype is done a impact case can be made



Impact case is used for scope control and Impact tracking

Impact objectives [Insert picture of impact case]	KPI/ measure	Baseline	Target	[Month 1]	[Month 2]	[Month 3]	[Month 4]	[Month 5]	[Month 6]
Business impact:									
15 % savings on procurement due to centralization	Avg. purchase prices								
10 % lower stocks due to better transparency and global planning	Value of Stock								
5 % improved profitability on average on customers due to improved reporting	Avg. profitability on customers								
10 % cost saving in the finance organization due to simplified finance	Cost of Finance operaton								
Behavioral impact:									
All purchases have a PO and are based on centrally agreed price	Number of purchases Wo PO								
Global S&OP meetings are conducted quarterly leveling out the capacity globally	Number of S&OP meetings								
Customer profitability meetings are conducted monthly	Number of profitability meetings conducted								
Meetings and decisions are driven and supported by improved data foundation	Number of decisions made based on new data reports								

PROCESSES, PROTOTYPING & DEMO

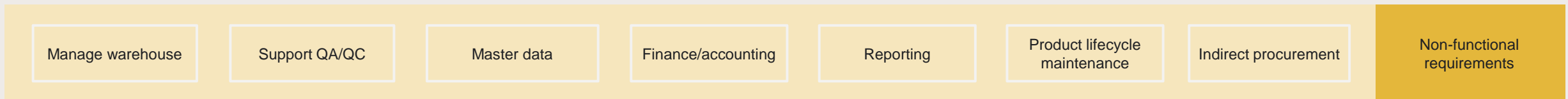
Core element I

THE END-TO-END PROCESS OVERVIEW

Core end-to-end processes



Enabling processes

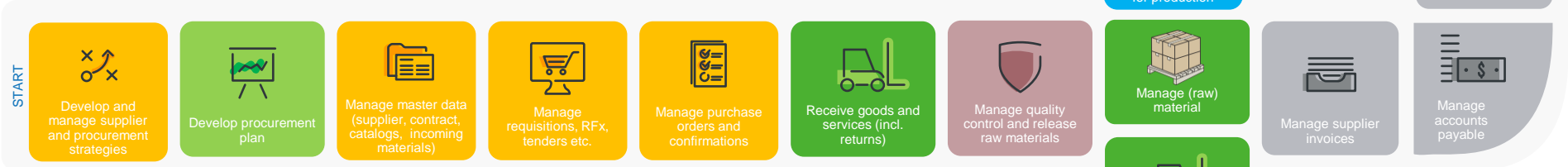


Process Flow Overview

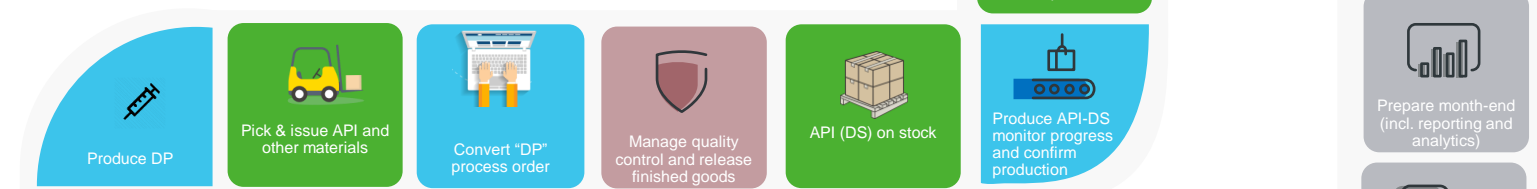
example

- Purchasing
- Warehouse
- Planning
- Production
- Sales
- Finance
- Quality

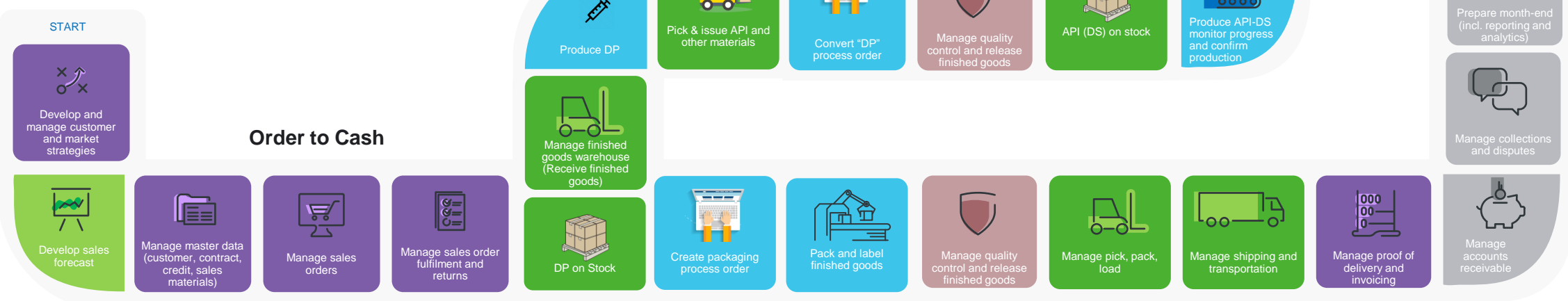
Source to Pay



Forecast to Fulfil



Order to Cash



END

END

START

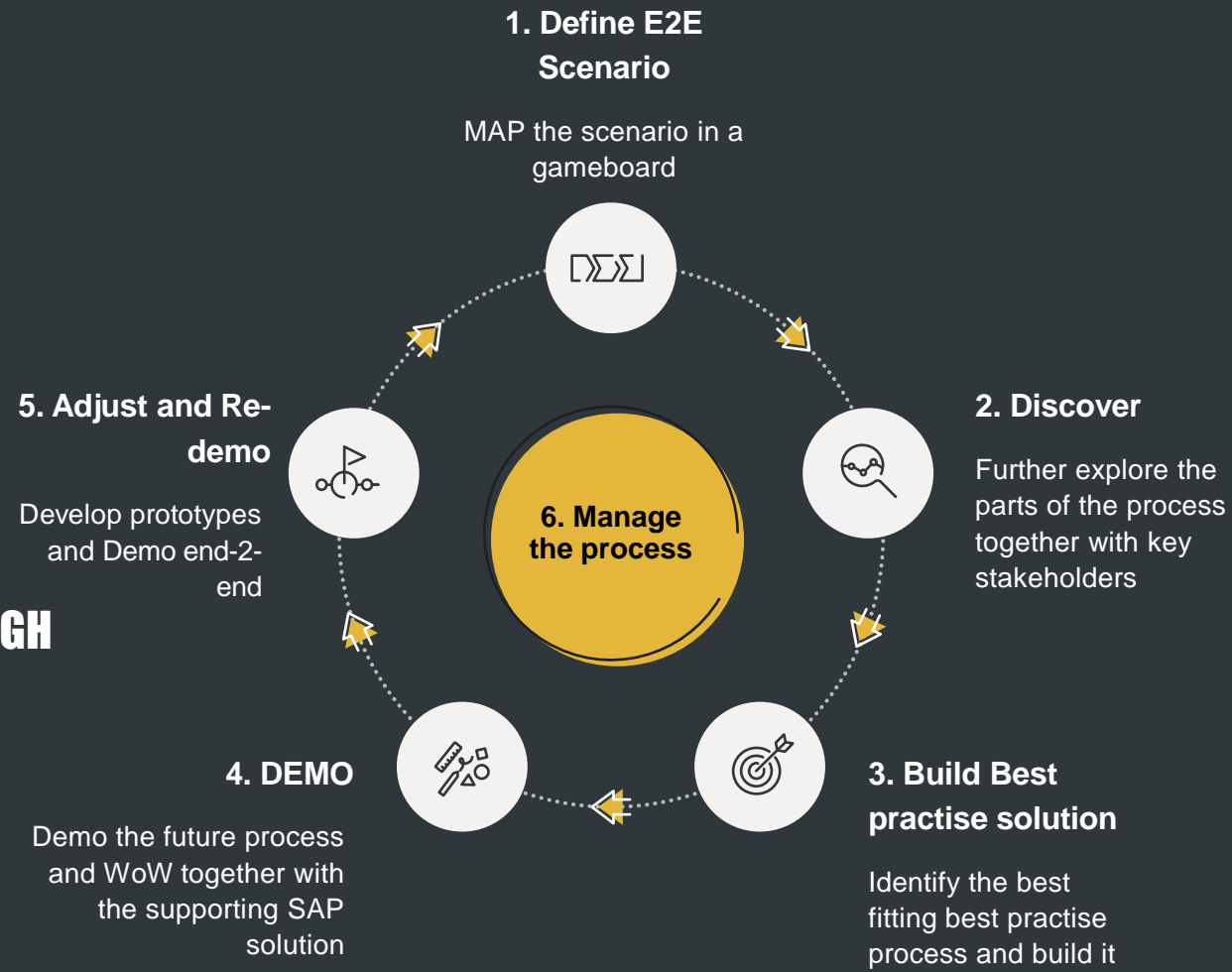
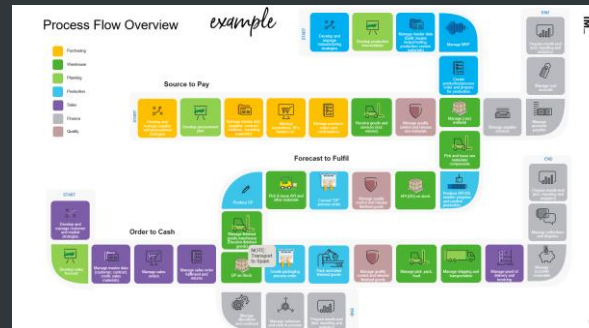
START

START

END

WAR ROOM PROTOTYPING

- # GET ALL INTO THE SAME PHYSICAL ROOM
- # SMALL DEDICATED TEAM - SHORT TIME HORIZON
- # VISUALISATION OF PROGRESS
- # FACILITATION IS KEY TO SUCCESS AND KEEPS THE ENERGY HIGH

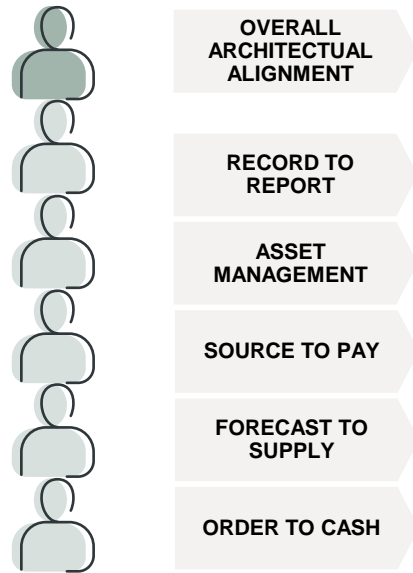


ONE ROOM, ALL ARCHITECTS AND A FEW VERY EXPERIENCED CONSULTANTS

IMPLEMENT TEAM



CUSTOMER ARCHITECTS



LOB REFERENCE GROUP



A SMALL TEAM DEDICATED RESOURCES:

A core team of five very experienced consultants, supported by experts to clarify specific topics when needed.

The team will build the prototype supporting the defined scope. On top of that **E2E gameboards will be developed** for each of the six E2E processes.

All resources must be allocated five days a week to attention and focus on this task only! External Consultants, internal architects and LoB work closely together.

References groups are having frequent demos of the decisions, future processes and the prototype.



Wide access to subject matter experts within SAP best practice and Pharma processes in general

PROCESS-ORIENTED USER REQUIREMENT SPECIFICATIONS

Core element II

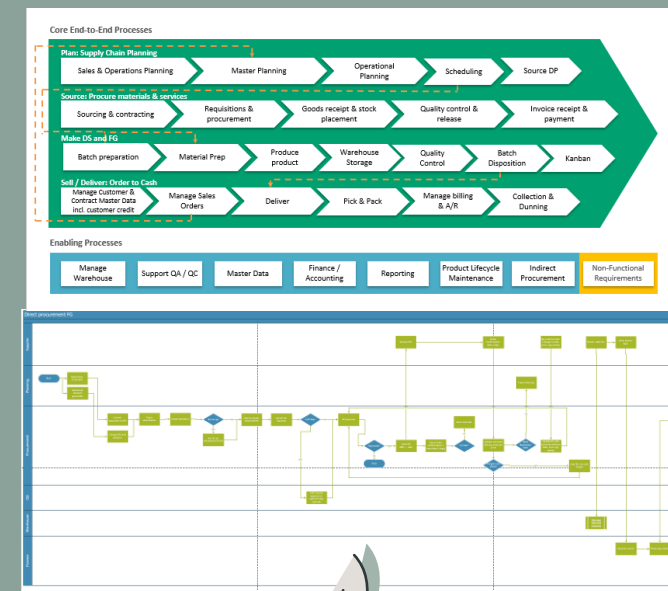
PROCESS-ORIENTED USER REQUIREMENT SPECIFICATIONS

guiding principles

SAP is a GAMP 5 and 21 CFR Part 11 compliant system. Thus utilisation of standard is as a starting point low risk. Customisations are **high risk** and **expensive** to build and maintain (high LCC). Below-listed elements can limit the number of customisations:

- Design level 1-3 process landscape
- Identify relevant SAP best practice
- Design To-Be business processes inspired by SAP best practice
- Write URS only focusing on GxP and business-critical requirements
- Evaluate URS delta to best practice and identify GAPS
- Revisit URS and remove non-critical requirements which lead to GAPS

#1 Process Landscape



#2 Process step description

ReqID	Requirement description	Category	System	Impact
3.2.0	Purchasing vendor master data has been pre-defined	Purchasing	SAP	OK
3.2.1	Requestion or additional demand generated in planning	Planning	SAP	OK
3.2.2	Requestion converted into purchase order (PO) or existing PO updated with additional demand	Purchasing	SAP	OK
3.2.3 (DS)	Check item specification is ok. Update PO if there are special requirements - samples, drawing revisions, etc.	Purchasing	MasterControl/SAP	OK
3.2.4 (FD)	For printed component items the exact price list must be applied and add to PO.	Purchasing	Excel/SAP	OK
3.2.5 (DS)	Check Procurement Dashboard (SD) report for previously rejected vendor list and pending change controls	Purchasing	Outside of SAP	YES
3.2.6 (DS)	Check vendor list re-org information and update PO with not wanted list information	Purchasing	SAP For pre SAP into check list data	OK
3.2.7	Submit for approval at next level approver	Purchasing	SAP	OK
3.2.8	The buyer will receive a warning message and not able to submit the PO if the item/vendor is blocked due to quality reason	Quality	SAP	OK
3.2.9	The PO is approved by the right person	Purchasing	SAP	OK
3.2.10	The PO is issued to the vendor through PDF mail (automatically sent upon approval)	Purchasing	SAP	YES

#3 GxP and business critical requirements

ReqID	Requirement description	Governance requirement	Rationale (why reference to reg. guidelines, business case)	Priority (-1 mandatory -2 beneficial -3 nice to have)
3.2.8.1	Workflow supported PO approval is needed: <ul style="list-style-type: none"> Move the approval from Requestion level to PO level PO value increase must require a re-approval Freight, Expedita Fee and Progress - extra charges must be applied. For the press Create PO (or PO line) with Service material representing the cost and use account assignment to post the cost. For Freight and other extra fees Cost is added as a standard condition setup for all suppliers, with delivery terms or works or known extra fee's, to apply a fixed amount for freight 	Governance requirement		-1

Workflow messages				
	Buyer	PM	ADSCM	SD product approval
200K	NA	NA	NA	NA
300K	NA	NA	NA	NA
2000K	NA	NA	NA	NA
3000K	NA	NA	NA	NA

SOLUTION DESIGN ACCELERATORS / GAP ANALYSIS

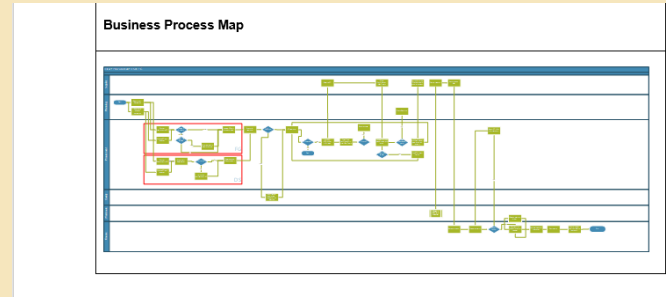
Core element III

SOLUTION DESIGN ACCELERATORS / GAP ANALYSIS

To ensure that URS requirements can be covered with SAP standard solutions available, the SAP Best Practice Explorer will be used. The SAP **Best Practice Explorer** contains a number of predefined scenarios that contains:

- Configuration Guides: Building blocks on how specifically to activate and use the best practice
- SAP System Flows: describing exactly which transactions to be used, and attached standard roles for building authorizations
- Test scripts for inspiration
- Test authorizations and roles

#1 Process-oriented URS



#2 SAP - Best Practice Explorer



#3 Utilizing SAP Best Practice building blocks

CONFIGURATION

Name	Description
(Delta) Cost Center Accounting (27C)	This building block contains the Basic Master and Configuration setup. The steps described in the configuration guide are essential for a successful configuration of further building blocks.
(Delta) Materials Management (27A)	This is a basic building block and it contains details for the configuration of further building blocks.
Procurement of External Services (28L)	This building block contains details for the configuration setup needed.
Procurement of Stock Materials (27T)	This building block contains details for the configuration setup needed.
Plant Maintenance Basics (27L)	This building block contains the basic configuration settings relevant for a successful configuration of the related scope configuration of further building blocks.
Preventive Maintenance (27J)	This building block contains the basic configuration settings required for a successful configuration of further building blocks.

Process Flow Diagram

Preventive Maintenance

The diagram is a process flow chart for 'Preventive Maintenance'. It shows a sequence of steps: 'Create a Maintenance Plan' leads to 'Schedule a Maintenance Order', which leads to 'Execute a Maintenance Order'. There are also parallel paths for 'Create a Maintenance Plan' leading to 'Schedule a Maintenance Order' and 'Execute a Maintenance Order'. The diagram includes various icons and labels for different stages of the process.

SYSTEM DOCUMENTATION, MIGRATION AND VALIDATION

Core element IV

Testing the moment of truth

1

Stick to standard

It is extremely important to stick to a standard solution to minimize



2

Keep the URS simple

Do not include anything in the URS that can not be solved within the standard product.



3

Validation if fun..

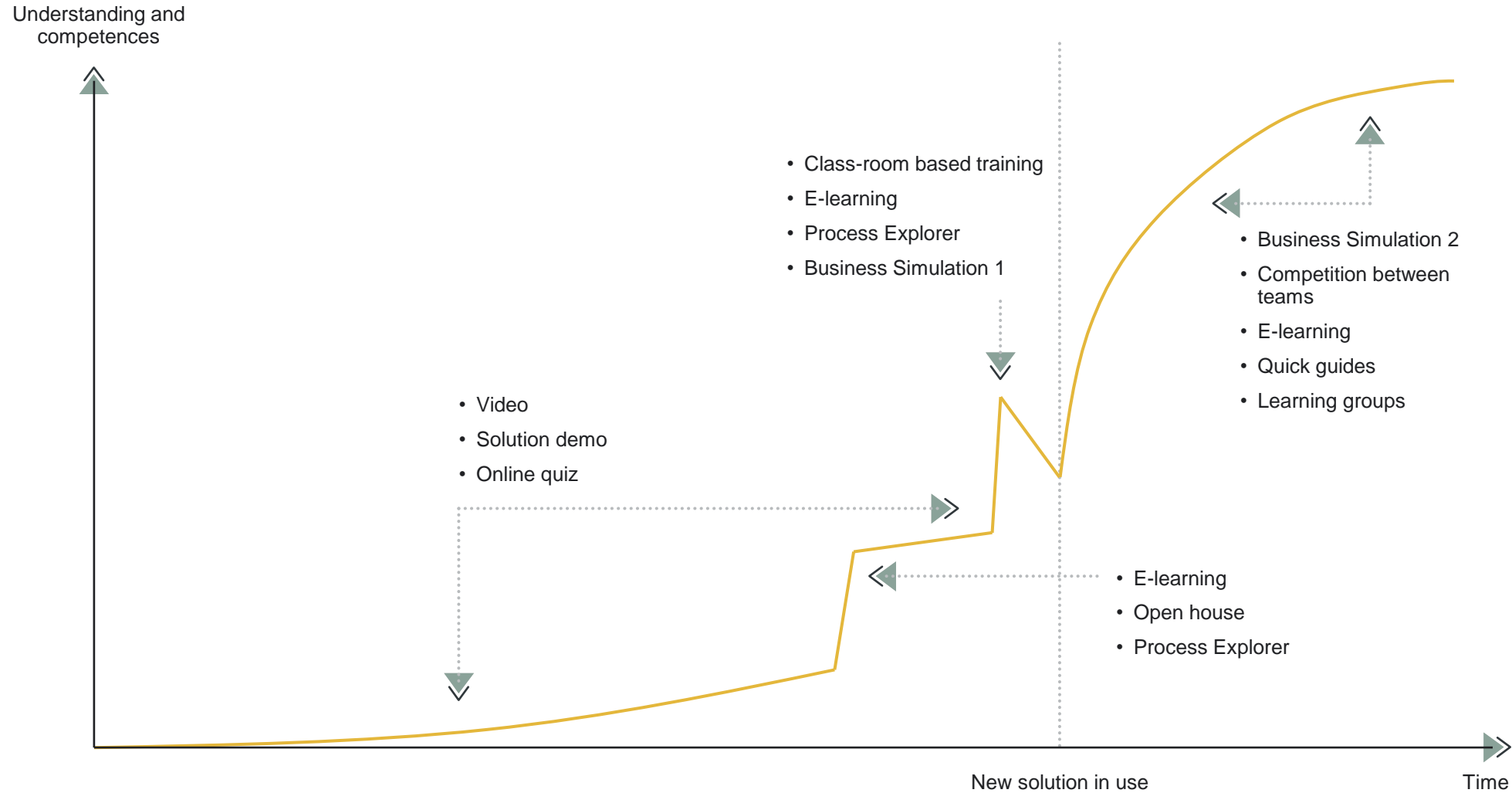
If you have a standard solution and if you have not over complicated your URS. This makes the testing a lot simpler and hence the validation

LESS IS MORE →

TRAINING, CUT-OVER AND HYPERCARE

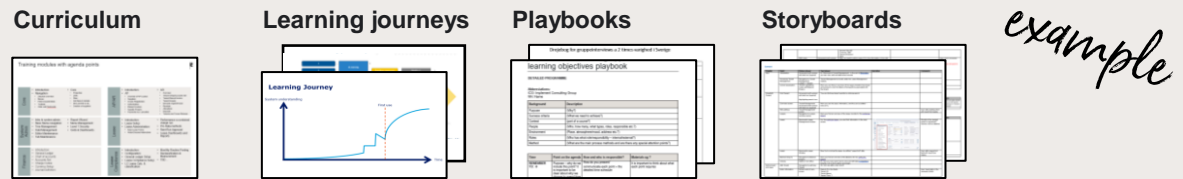
Core element V

Competence curve



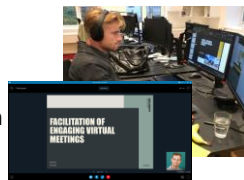
Implement's proven training approach will lead to lasting impact through interactive learning journeys

We have a well-proven training methodology that is the foundation when creating learning journeys tailored for every unique situation. Our approach is to deliver a **structured and reusable learning journey** and training materials that **enable scalability** in the solution design to support both current and future needs. We design the entire learning journey and resemble real life scenarios and dilemmas to engage participants and create a continuous learning. By designing the solution with the **impact in mind** we can create the desired new behaviours clearly demonstrated and sustained over time.



Webinars / Virtual classroom

Digital meetings where training is facilitated and participants can interact through quiz and game style elements.



eLearning

Digital learning modules and games implemented to extend the learning journey no matter the time or place.



Screen recording videos

Step by step instructions viewed right in the system. Enables participants to find support before and after facilitated sessions.



Quick guides

Short written instructions describing actions in the system.

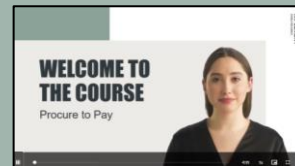


By combining **state of the art tools with innovative solutions**, we create interactive learning journeys which make a lasting impact.

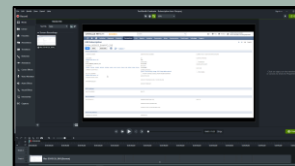
1 Articulate – Easy eLearning authoring tool. Possible to include screenshots with explanations, videos, quizzes, process flows etc.



2 Synthesia – Simple AI-based tool to create narrated video bites to be included in eLearning with a presenter.



3 Camtasia – Intuitive tool to make small screen recordings of simple flows and actions in a system.



4 VideoScribe – Tool to create videos explaining processes or changes in a visually appealing way.



The rational preference

Training

Textbook, clear instructions, logical arguments, opportunity to analyse, discuss technical aspects

Learning

At the desk, distribution of summary, research

Surroundings

Nice and tidy, opportunity to seek information, meticulous work at the whiteboard, quiet

The practical preference

Training

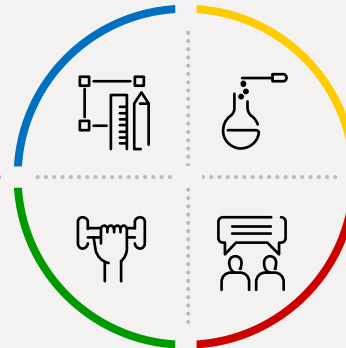
Textbook, chronological and well-designed lessons, clear instructions, repetition, clear purpose of the training, formal training

Learning

At the desk, detailed summaries, opportunity to practise the topic, practical use, time schedule

Surroundings

Programme etc. is accessible/handed out, detailed work at the whiteboard



The experimental preference

Training

Holistic perspective, spontaneous participation, visual, associates the topic with the past/future, fun, experimenting, new concepts

Learning

Sits/likes but rarely at the desk, diagrams, learning games, tests new methods, rarely uses time schedules

Surroundings

Colourful, information that challenges, humorous displays, artistic, changing

The relational preference

Training

Group work, movement, associates the topic with personal experience, shows feelings, acts as a trainer

Learning

Among people, emotionally involved in the content, music, talks out loud to memorise, non-verbal communication, role play

Surroundings

Room for movement, music, people-oriented displays, pleasant, colourful, comfortable

5. Training / Hyper Care

Training

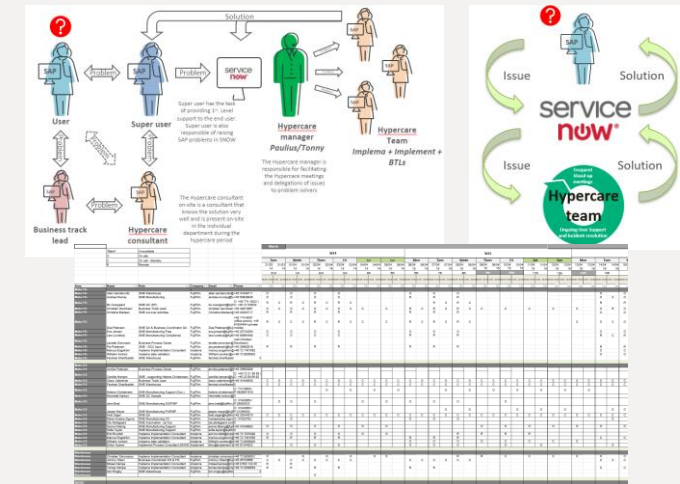
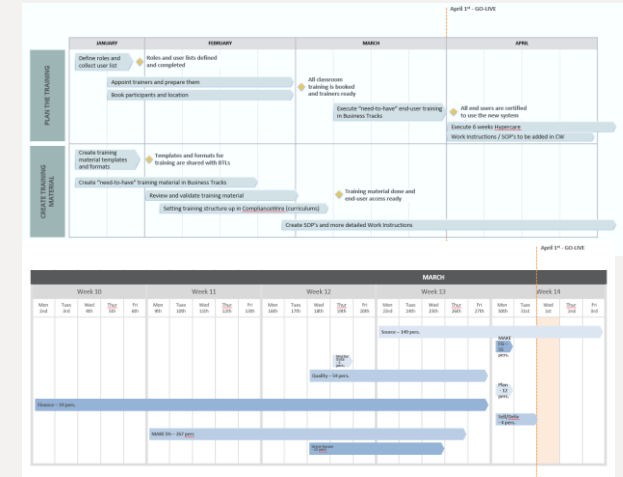
Training is always an embedded element of an SAP project.. The training that will have to be included:

- Process training – How are the business processes supported by the system. Audience: the project participants. Consultants conducted the training
- Test training – Training in how to complete the system transactions needed to complete the test. Audience: the testers. Consultants conducted the training
- End user training – Training in how to execute business processes in the systems and all peripheral devices. Audience: the end users. Super users, SME's and track leads conducted the training supported by consultants.
- To gain access to the system at go-live evidence of training participation must be in place. Thus a documentation system were put in place. (Compliance wire)

Hypercare

To ensure a safe early life and use of the system after go-live specific procedures and tools were put in place for Hypercare support. This includes:

- Implementation of Super Users as a concept
- Structure and governance around hyper care meetings, reporting etc.
- Detailed on site presence support plans enabling all users to have access to a support consultant.
- Ticketing system for error handling and automated test system for change test documentation.
- KPI's and Exit criterias



PROJECT AND CHANGE MANAGEMENT

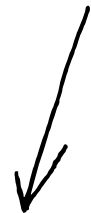
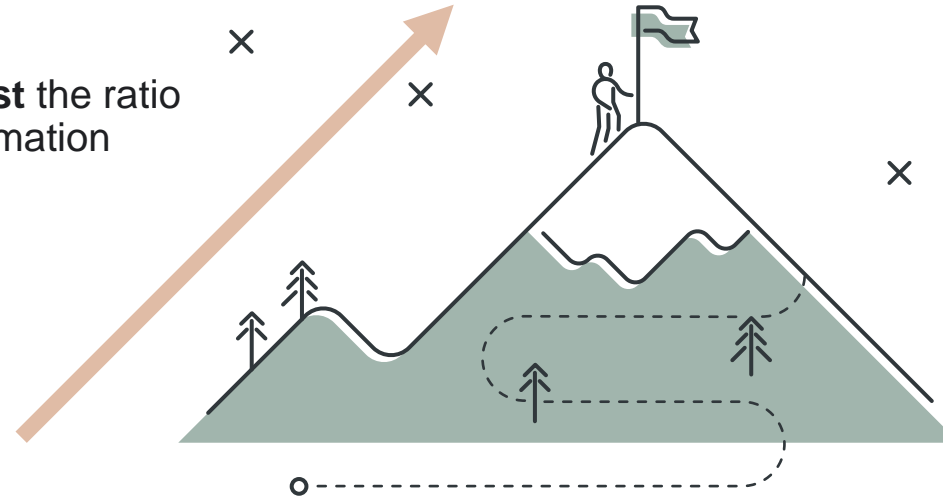
Core element VI

6. Project and Change Management

Our ambition is to **boost** the ratio of **successful** transformation projects..

33%

Of all projects today are characterised as successful*



.. and we do it with an **extreme focus** on four core elements - we call it Project **LIFE**.



LEADERSHIP

Leadership must embrace uncertainty and make the project happen.



FLOW

High-intensity and frequent interaction to ensure continuous project progression.



IMPACT

Stakeholder satisfaction is the ultimate success criterion.



ENERGY

Own the energy. Energy can be managed and created.



So, when you work with us, **you also say yes to**

- 1** Sponsor involvement 2 hours/week
- 2** Project pulse checks
- 3** 50% allocation of key resources
- 4** Co-creation and prototyping
- 5** Impact focused projects

PROJECT AND CHANGE MANAGEMENT

Core element VI

IT'S TIME FOR

QUESTIONS

