Case Study: Life Sciences and Digital Operations

Integrating Systems and Processes with an "Orchestrated" Approach

How we helped a global life sciences company redesign its processes and technology cost-effectively, driving productivity while reducing costs.

When a company makes numerous acquisitions, it is common for it to add multiple systems and business processes that are not integrated with the rest of the organization. This inevitably drives up operating costs and hampers organizational performance.

This was the case with our client, a global life sciences company. The company acquired five businesses in five years, and as a result it had multiple enterprise resource planning (ERP) systems in multiple countries and dozens of non-standard processes. Transactional processing was a challenge, hampering core business operations. For example, vendor invoices weren't being processed on time, sometimes interrupting the flow of critical supplies. Inefficient collections disrupted the company's cash flow. The month-end close process was unusually slow, delaying financial reporting.

At a Glance

A global life sciences company needed to integrate numerous systems and processes after making a number of acquisitions. We provided a cost-effective, orchestrated solution that standardized key processes, integrated disparate systems and delivered major efficiency gains and business savings.

Outcomes

- Integrated five businesses into systems of engagement.
- 50% reduction in total cost of operations.
- Almost 30% improvement in month-end close cycle time.

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The company engaged us to design and develop a solution. We developed an orchestrated operating model, in which "systems of engagement" synchronize all ERP instances across multiple countries and business units, managing transactions on a daily basis.

At the same time, we redesigned and standardized the company's key processes. Plus, we developed a business outcome framework to drive the optimization of working capital through accelerated collection of past due receivables. In addition, we developed business performance dashboards, giving managers and leaders a view into key operational metrics.

With our orchestrated approach, we have helped integrate ten unique ERP systems, delivered standardized business processes for 22 entities in ten countries, and significantly improved the month-end close process. These interventions have produced major efficiency gains, reduced the total cost of operations, and delivered $45 million in business outcomes.

One Integrated Company

Our engagement was part of a larger strategic effort to establish one integrated company, enable scalability, and create support efficiencies.

We began the project with an assessment of the company's processes and the multiple technologies supporting these processes. During our due diligence, we learned that, in making multiple acquisitions over a five-year period, the company had inherited multiple ERP systems, and each site had its own business practices and procedures. The conventional approach – consolidating all

Outcomes
- 40% productivity gains.
- Business outcome impact of $45 million including $30 million in spend optimization, $9 million in working capital and $6 million in revenue enablement.

legacy ERP systems into a single ERP – would have taken three to four years with significant financial investments and additional human resources.

Instead, we opted for an orchestrated operating model, implementing systems of engagement for key processes including procurement operations, accounts payable, record to report, and travel and expense, enabling seamless transaction processing and optimized period close.

The processes and systems were built and consolidated at a single offshore delivery location. The execution, staged across the client organization, was followed by optimizations through digital interventions such as robotic process automation (RPA) for manual processes that can be performed more efficiently. Cognizant subject matter experts have actively engaged in system integration testing and user acceptance testing to ensure that all possible business scenarios are tested successfully.

These projects continue, but we have already delivered significant value through productivity gains and major, ongoing cost savings.

About Cognizant Life Sciences

Cognizant's Life Sciences practice is committed to helping change millions of lives for the better by partnering with clients to build solutions to healthcare challenges, continually improve the way they do business, set the pace in clinical development, strengthen their regulatory infrastructure, and increase competitiveness. Cognizant serves 30 of the top 30 global pharmaceutical companies, 9 of the top 10 biotech companies, and 12 of the top 15 medical device companies. With a large team of dedicated professionals including doctors, pharmacologists, physicians, biomedical engineers, pharmacists, biostatisticians, medical writers, and GxP consultants, the practice provides domain-aligned consulting, IT, business process, software and as-a-service solutions globally. Visit us at http://cognizant.com/life-sciences.

About Cognizant Digital Operations

Cognizant Digital Operations helps clients re-engineer, digitize, manage and operate their most essential business processes, lowering operating costs, improving user experiences, and delivering better outcomes and topline growth. Across the practice, we are creating automated, data-driven platforms and industry utilities. We help clients run better by applying traditional optimization levers, and we help them run differently by creating competitive advantage through making their processes digital-ready, which often leads to more effective operating models and corresponding topline revenue growth. For more information, please visit cognizant.com/cognizant-digital-operations.

About Cognizant

Cognizant (Nasdaq-100: CTSH) is one of the world's leading professional services companies, transforming clients' business, operating and technology models for the digital era. Our unique industry-based, consultative approach helps clients envision, build and run more innovative and efficient businesses. Headquartered in the U.S., Cognizant is ranked 195 on the Fortune 500 and is consistently listed among the most admired companies in the world. Learn how Cognizant helps clients lead with digital at **www.cognizant.com** or follow us @Cognizant.

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