HIKMA PHARMACEUTICALS

PHARMA FIRM REPLACES GLOBAL IT ISLANDS WITH SAP® BUSINESS SUITE SOFTWARE

"SAP Business Suite software brings our organization together and enables better collaboration. Our processes are more flexible and robust."

Edsel Pereira, Corporate IT Director, Hikma Pharmaceuticals PLC

QUICK FACTS

Company
- Name: Hikma Pharmaceuticals PLC
- Headquarters: London
- Industry: Life sciences – pharmaceutical companies
- Products and services: Branded and generic pharmaceuticals, injectables, biotechnology
- Revenue: US$730.9 million
- Employees: 5,400
- Web site: www.hikma.com
- Implementation partners: Capgemini (United States), Zensar Technologies (India)

Challenges and Opportunities
- Harmonize business processes around the world
- Accelerate collaboration business-wide
- Reduce ongoing costs

Objectives
- Implement single platform for global pharmaceutical business, eliminating disparate, isolated IT islands
- Build business dashboards to track key performance indicators

SAP® Solutions and Services
- SAP® Business Suite software, including the SAP ERP application
- SAP NetWeaver® Business Warehouse component

Implementation Highlights
- Rapid – 6 to 7 months per business unit
- Use of templates to expedite rollouts
- Minimal customizations due to use of standard functionality
- Use of available product documentation

Why SAP
- SAP's leadership in the pharmaceutical market and in enterprise resource planning
- Preconfigured best practices
- Comprehensive functionality
- Strong core processes
- Superior technology architecture
- Scalable for growth

Benefits
- Streamlined global operations
- Reduced operational costs
- Improved transparency of business worldwide, enabling better decision making

Existing Environment
Heterogeneous IT landscape

Third-Party Integration
Database: Oracle

HIKMA QUALITY

When it comes to product mix, Hikma Pharmaceuticals PLC stresses diversity – for example, its branded business sells 241 solid, semi-solid, and liquid products in 471 dosage strengths and forms. But when it comes to IT, the firm emphasizes standardization and harmonization. That's why Hikma brought its business units all over the world onto SAP® Business Suite software.

"One of our central business challenges was too many islands of IT," says Edsel Pereira, corporate IT director at Hikma. "Hikma is a large pharmaceutical manufacturer with legal entities worldwide – in the United States, Europe, the Middle East, and North Africa. We had a distributed IT structure and disparate IT policies. Each company had its own system and database; business processes were not standardized or common. It was crucial to consolidate around SAP Business Suite."

Hikma Pharmaceuticals develops, manufactures, and markets a broad range of both branded and nonbranded generic and licensed products. Hikma's largest business is its branded operations, which focus on the Middle East and North Africa, selling product across 17 countries. The company is one of the largest pharmaceutical companies in the region and manufactures its branded products in Jordan, Algeria, Saudi Arabia, Egypt, and Tunisia. Hikma's plants in Jordan and Saudi Arabia have been successfully inspected by the FDA and the UK's Medicines and Healthcare products Regulatory Agency.

From a Disparate to a Harmonized IT Landscape

When Hikma introduced SAP Business Suite, it went from multiple IT islands to a single, harmonized IT landscape. The company now runs its entire business on SAP software. Hikma uses SAP Business Suite for its order-to-cash, procure-to-pay, and record-to-report processes and to support its production and quality processes. It is also using the SAP NetWeaver® Business Warehouse component to enhance and harmonize business intelligence across the firm. The company has built 17 custom dashboards to help it track key performance indicators (KPIs) for sales, forecasting, financials, manufacturing, inventory, procurement, and other processes. "This will give management a bird's-eye view of the business," Pereira says. "Each business unit will see the KPIs of its operation. SAP NetWeaver Business Warehouse is a great tool for designing dashboards. It's very flexible and provides very strong management reporting for better decision making."

Hikma expects that will add to the benefits it has already realized. "SAP Business Suite software brings our organization together and enables better collaboration," Pereira says. "Our processes are more flexible and robust."

Software for the Pharmaceutical Industry

The SAP business software also gives Hikma a solid IT platform to support industry-related requirements, including the vast number of regulatory mandates like the U.S. FDA rules for electronic records and signatures. "SAP software provides a best practices–based framework for pharmaceuticals," Pereira says. "If we get a product recall, we can track it to the manufacturing and raw material source. This is a crucial core competency enabled by SAP Business Suite."

That was a big reason why Hikma chose the SAP software. "I don't think SAP Business Suite has a challenger in the pharmaceutical arena, especially when you consider its best practices–based functionality, solution depth, business intelligence tools, and range of offerings," Pereira says. "From a business process perspective, SAP Business Suite is far ahead of most solutions currently in the marketplace."

Pereira cites specifics. "The software is very strong in core processes – quality management, validation, manufacturing,

"The reporting tools are also very strong in SAP software. That's an area where we have achieved a lot, and we plan to exploit it even more."

Edsel Pereira, Corporate IT Director, Hikma Pharmaceuticals PLC

and planning," he says. "The SAP architecture is also very robust, due to its three-tier architecture, the SAP NetWeaver technology platform, the security parameters, and the tools for role authorizations and segregation of duties. SAP Business Suite has the depth and breadth we need in both functionality and architecture."

Finally, scalability was a criterion. "If you are a midsized pharmaceuticals business and want to become a large pharma company, you want a solution that can grow with you," Pereira says. "We are a rapidly expanding organization, and SAP software gives us the support we need to stay flexible and adaptive."

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Template Approach for Accelerated Rollouts

Hikma implemented SAP software across its global operations using preconfigured templates and SAP documentation. Says Pereira, "We implemented the SAP software based on best practices mostly as is, typically 70% standard and 30% customized. Our standard implementation for each of the business units took six to seven months, with two months of support after going live. That rollout speed was a big competitive business advantage."

Pereira credits some of the speed to partners Capgemini – a global leader in consulting, technology, outsourcing, and local professional services – and Zensar Technologies, which offers preconfigured SAP solutions with accelerators for faster business benefits. Capgemini hosts the software remotely; both firms brought pharmaceutical sector expertise to the implementations. "The consultants also bring value when we want to scale up and add new processes, or integrate new operations," says the director of corporate IT.

Integration for Sustained Global Harmonization

Along with its partners, Hikma IT will play a big role in ensuring a smooth transition. The pharmaceutical company's corporate IT group is located in Amman, Jordan; smaller IT operations are sited at the individual business units worldwide. "We are playing a critical role in the rollout at the new acquisition being integrated into the Hikma Group," Pereira says. "We are spearheading the entire IT integration, process harmonization, and system transformation."

Hikma also plans to roll out Microsoft SharePoint Server, which it will link with the SAP business software. "We have a lot of upcoming initiatives that will integrate the Microsoft environment with our SAP software landscape," Pereira says. "This will make our people effective, collaborative, and more efficient."

That's the beauty of software that embeds and enables integration, says Pereira. "With SAP Business Suite, the integration framework is already there," he explains. "This makes it easy for employees to access information from wherever they are working – for example, to review cash flow, order delivery information, invoices, and accounts receivable updates. The reporting tools are also very strong in SAP software. That's an area where we have achieved a lot, and we plan to exploit it even more."

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