



Transforming a leading pharmaceutical company's purchase department with automation and ADMnext

With Automation Drive, Capgemini ADMnext transformed our client's purchase department, created a unified view of their automation strategy, and delivered greater efficiency, cost-reductions, and faster time-to-market.

The Client

The client is a multinational Pharmaceutical and Life Sciences company, with a number of world-famous brands in their portfolio, and a presence in almost every country. The bulk of their sales come from human and veterinary pharmaceuticals, consumer healthcare products, agricultural chemicals, biotechnology products, and high-value polymers.

Our relationship with the client started in 2012, when we took over a captive outsourcing center for their IT arm in Mumbai, India. Since then, the scope of the engagement has grown steadily, and the number of resources has gone up from 540 FTEs in 2012 to 1,500 FTEs today. By supporting the IT arm, Capgemini indirectly enables all of the organization's business lines and processes.

Overview

Client: One of the world's leading multi-national Pharmaceutical companies

Sector: Pharmaceutical & Life Sciences

Client Challenges: Putting in place an automation road map, rationalizing the business value chain, and adopting individual tools and enablers in a phased manner to bring all the benefits of automation to the client's procurement department

Solution: Capgemini's ADMnext and Automation Drive with custom-built Robotic Process Automation tools and BOTS such as UIPath



Benefits:

- **Mapping the client's existing automation initiatives to rationalize their business value chain and put in place a planned approach to automation**
- **Automating incident analysis for the purchase requisition process using an incident analyzer BOT, which resulted in reduced turn-around time for the purchase requisition to purchase order process from two hours to twenty minutes, and increased operational efficiency and improved SLAs**
- **Automation of identified standard activities resulting in approximately €38,000 in cost savings**
- **Automation of bulk updates of Purchase Orders, resulting in a 75% improvement in process efficiency, with time taken to process POs reduced from six to two days**
- **A revamp of the Order-to-Cash process through putting in place more effective controls that resulted in a 90% reduction in delayed dispatch, a 75% improvement in process accuracy, and a 70% improvement in turn-around time of order creation and processing**
- **Automation of the Source-to-Pay process, resulting in a reduction of delayed payments by 30%**
- **Automation of application support with self-heal leading to improved system availability and reduced cycle time of the end-to-end process**

As part of our ADM contract, we were initially focused on service delivery and stabilization, beginning with sourcing automation solutions for cost reduction in 2018. To do this, we relied on one of our key offerings within our ADMnext portfolio – Automation Drive. The immediate focus was on SAP services (particularly procurement processes and operations), which were reporting a very high number of tickets on an ongoing basis.

The main issues faced by the procurement team were:

- Manual monitoring of software applications and a reactive approach to critical incidents, which led to frequent errors and delays.
- Frequent failure in automatic Purchase Order creation from the purchase requisition process. A lot of effort and time was being spent in identifying the root causes of failure, and the whole exercise was heavily dependent on the skills and experience of the individual analyst.
- Frequent Purchase Order update activity, with more than 10,000 POs to be updated. The existing system could only support the updating of 100-200 POs at a time, and it took twenty minutes for a batch of 100 POs to be updated.
- Frequent errors in updating credit limits, as there were no restrictions in the system and products were often wrongly mapped to categories, which led to errors in creating sales orders.
- An inability to update or close multiple shopping carts, leading to payment delays as goods receipts could not be updated against these orders.
- Wrong set-up of automation activities related to Purchase Orders, shipping instructions, and journals.

These were recurring issues and the client was looking for a permanent solution that would help address all of them.

The Solution and Benefits

As part of Capgemini's Automation Drive framework, we took a two-step approach to this automation initiative. The first step was to map the existing automation initiatives in a logical manner, followed by automating and providing the appropriate tools for individual elements of the business value chain. A decision was made to go after the "low-hanging fruit" first.

The team started by identifying processes that were not only reporting a high number of tickets, but could also be automated and improved quickly. The decision was made to focus on simple rather than complex processes, and on IT automation as opposed to business process automation, which would involve more time and effort. The idea was to start showing results immediately – generating cost savings that could then be plowed back into further transformation efforts.

In the first phase, the team looked at SAP solutions – particularly for certain processes such as Source-to-Pay, Order-to-Cash, invoice management, and logistics – that were reporting a high number of tickets and could be fixed quickly. All of the automation solutions and tools used were a part of Automation Drive, a suite which consists of three established components (Framework, Tools and IP, and Services). Automation Drive is fueled by our unique "Five Senses of Intelligent Automation" methodology. The Five Senses refer to our solution's capabilities to mimic one or more of the five different human senses of "Watch, Talk, Act, Think, and Remember." Most of the tools deployed in this first phase of automation pertained to the "Act" (UIPath and BluePrism) and "Think" (tools such as ABC) senses of our automation suite.

Following are the processes automated and the benefits we deliver:

Processes automated	Benefits
Automated monitoring and standard resolution	<ul style="list-style-type: none"> • Zero critical incidents • Zero unplanned system down-time and error-free business time • Manual efforts (12,700 hours/annum) saved • Resources freed up to focus on innovation
Incident analyzer for automatic PR to PO creation	<ul style="list-style-type: none"> • Reduction in turn-around time from two hours to twenty minutes • Minimized human intervention, resulting in increased operational efficiency, and improved overall process performance and service
Service requests, including repetitive user requests to close POs, requiring a mass update using a Z SAP Transaction	<ul style="list-style-type: none"> • 75% reduction in turn-around time with typical turn-around time for 2000 POs reduced from four days to one day • Increased accuracy for PO maintenance by eliminating human errors • Resource productivity improvement
Standard activities, including security group creation and updating, creation, deactivation, and reactivation of contractor CWID, user rights management, and DMS service issues	<ul style="list-style-type: none"> • Cost savings of approximately €38,000, along with seven FTE efforts freed up
Bulk updates of Purchase Orders	<ul style="list-style-type: none"> • A 75% improvement in process efficiency with time taken to process brought down from six days to two • Complete elimination of human dependency, resulting in task accuracy and process efficiency improvements
Order-to-Cash process	<ul style="list-style-type: none"> • A 75% improvement in the process accuracy eliminated sales order creation failure • A 70% improvement in turn-around time of order creation and processing • A 90% reduction in delayed dispatch
Source-to-Pay process	<ul style="list-style-type: none"> • Reduced turn-around time for payments due to automated approvals and card transfers • Reduction of delayed payments by 30%
Application Support	<ul style="list-style-type: none"> • A 30% performance improvement due to proactive analysis and the fixing of business issues • Root-cause identification reduced turn-around time by more than 50%



The Road Ahead with ADMnext

Given the encouraging results from the first phase of this automation initiative, there is going to be a more widespread rollout of automation across different domains. The team has already started working on Business Process Automation, and over the next two to three years, we will likely focus on automating some of the more complex processes, so as to make the entire value chain more agile and error free.

In the long-term, Capgemini ADMnext intends to manage the client's IT services end-to-end, including many of the customer-facing roles that are currently being handled by the client's IT wing. This will enable us to further exploit existing synergies and unlock opportunities to directly impact business goals.

About Capgemini

A global leader in consulting, technology services and digital transformation, Capgemini is at the forefront of innovation to address the entire breadth of clients' opportunities in the evolving world of cloud, digital and platforms. Building on its strong 50-year heritage and deep industry-specific expertise, Capgemini enables organizations to realise their business ambitions through an array of services from strategy to operations. Capgemini is driven by the conviction that the business value of technology comes from and through people. It is a multicultural company of over 200,000 team members in more than 40 countries. The Group reported 2018 global revenues of EUR 13.2 billion.

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