



JAPANESE LIFE SCIENCES COMPANY ALIGNS GLOBAL STRATEGY WITH ASE AND SAP S/4HANA

By partnering with Capgemini, the company develops a global template based on the SAP S/4HANA ERP platform in order to facilitate the unification of regionally divergent processes

Understanding benefits of global standardization

Many global organizations inevitably wrestle with the challenges of operating across borders and cultures. This international sprawl often results in processes differing from one region to the next, which makes it difficult to operate effectively during periods of growth. When introducing global processes, companies must also be sure to balance local needs with global consolidation in order to avoid any negative impact on productivity and product quality when the transformation applies standardization rather than regional specialization.

Overview

Client: A leading Japanese life sciences company

Region: Global

Industry: Healthcare & Life Sciences

Client Challenges: The company was keen to standardize business processes across the regions as it planned to transform from a Japan-centric manufacturing business model to a globally decentralized manufacturing business model

Solution: Partnering with Capgemini, the company developed an S/4HANA global standard business platform design and transformed its supply chain business model to a model with a good balance of global governance and regional execution excellence.

When companies introduce global standardization in processes aimed at enhancing globally influenced KPIs such as brand perception, process quality, etc, it is important to avoid any negative impact on locally influenced KPIs such as productivity, efficiency, and product quality. To do this, it is necessary to ensure the global template/standard can sufficiently accommodate specific local needs/process variations arising out of legal/regulatory/market-specific/cultural differences.

A major Japanese life sciences company understood how standard processes could help it control business performance and make it easier to identify best practices by reviewing regional performance. After a careful review of its options, the organization chose Capgemini as its partner to ensure that its goal of designing a global business platform based on SAP S/4HANA was achieved. Capgemini's value offerings, such as iCaptive and the India SAP "factory" model, ensured the client had the best-in-class ability to meet their number-one objective of a S/4HANA global standard business platform design.

Building an SAP S/4HANA-based global business platform aligned with strategic goals

To launch the project and achieve the organization's objective of transforming its global supply chain model, the partners leveraged Capgemini's proprietary ASE (Accelerated Solution Environment) offering to quickly share and align strategic goals and challenges among all the key members involved in the global business transformation. As a result, although the company's regional leaders initially held conflicting expectations for the project, they were able to agree on a common understanding of the goals for the global standardization as well as the key challenges that they would need to overcome. Working with this knowledge, Capgemini began to perform a redesign of the company's global standard business platform based on SAP S/4HANA.

This design was focused on business processes, IT architecture, and master data management and leveraged Capgemini's iCaptive methodology, which introduced a range of standard business processes. To make the global business platform robust and sustainable, the partners proceeded to determine a set of universal guiding principles in order to identify how to capture disparate processes, manage master data, and define organizational structure with the standardized approach. These guiding principles became a toolkit containing simple rules that the company's managers can use to analyze non-standard processes in different regions and easily decide what should be a part of the future global standard process that best aligns with its common strategy. In addition, the organization and Capgemini determined which non-SAP processes could be included as part of the global business platform and configured in alignment with the new functionalities.

Some of the key business enablers of the revised S/4HANA design are:



An action list for global, strategic goals



Standardized product and process quality levels



Uniform business performance levels at global sites



Single global ERP instance to leverage economies of scale



Optimized logistics processes such as global, end-to-end integrated planning that result in timely delivery



Global master data governance

Preparing for international implementation

By the end of this design phase, the company and Capgemini had designed a global standard business platform based on SAP S/4HANA - enabled by SAP CPI Cloud Integration capability to seamlessly integrate with a wide range of IT assets (SAP, non-SAP, Cloud, on-premises, etc.) - with which every region could harmonize. With the global standard processes designed, the speed of product and service delivery could be measured based on a common set of KPIs.

With the design revised to align with the business strategy, the company and Capgemini have shifted their focus to preparing for a global rollout. The partners have assembled a number of different teams that offer a range of expertise that will be essential for successful implementation. Once this project concludes, the organization will be able to operate with greater agility and more effectively manufacture, qualify, and deliver its goods while providing services around the world. Moreover, the organization will be better able to balance global demand and provide better services and more affordable products in an even more timely manner to medical institutes and patients on a worldwide scale.



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