

Rationalization Helps Pharma Giant Optimize IT Landscape; Cut Costs

Capgemini's WARP offering helps the company's technology landscape surge profits and improve performance

The Situation

One of the largest pharmaceutical companies in the world based out of New Jersey had the vision of discovering, developing, manufacturing and marketing a broad range of innovative products to improve human and animal health. The company's commitment to technology has been diverse and spread across the globe. Currently however, the company is looking to optimize its technology investments and save costs.

The application landscape of its Marketing, Sales, Business Intelligence (BI) and Channel Management consisted of around 270 applications and the company's aim was to reduce the Total Cost of Ownership (TCO) by 15%. The task was quite complex given that strategic initiatives like BI, Customer Engagement and Channel Management consumed more than 85% of the application costs, and thus, the bulk of cost savings needed to come from optimizing the operation and management of these applications.

The Solution

Capgemini's unique Wide-angle Rationalization Program (WARP) is a revolutionary and accelerated approach that brings enterprises up to full speed in rationalizing their application landscape and lifecycle. As a solution to the company's concerns, Capgemini's WARP team identified a set of targeted options to help the company reach its vision of 15% savings in TCO. Various elaborate strategies were devised for this, which included simplification of the application landscape by removing unused applications, reducing the technology stack diversity to guarantee easier control and compliance, identifying, eliminating or replacing the high cost user applications, and managing low cost applications (<€10.000/year) only in bigger packages.

Operational excellence would be achieved by bringing down the cost per ticket for applications with extremely high value for cost per ticket, consolidating multiple vendors, and outsourcing local support to low cost locations.

Capgemini's solution would help the pharmaceutical giant optimize its two biggest IT spends:

CRM: The company's CRM currently takes up 60% of its IT budget, and huge cost reductions are possible if the legacy CRMs are replaced with cheaper and more efficient alternatives.

BI: This currently takes up 15% of the IT budget, and has a total of more than 50 BI type implementations. There is a huge cost savings opportunity if the BI landscape is simplified, based on clear architectural choices.

Additionally, non-sustainable platforms like Cegeidm being replaced by Siebel based CRM solutions would help cut costs, specifically in the French operations of the company where the absolute costs and the per user costs are the highest.

The Result

Capgemini's WARP strategies resulted in a proposed potential savings of \$3.568 Million. These can be achieved by a strategic mix of consolidation of applications, retiring obsolete and unwanted applications, streamlining business processes and ensuring vendor consolidation. After successful implementation of the solution in Europe, the company has engaged Capgemini to scale up the solution to Asia Pacific and subsequently for remaining geographies.

If you would like to find out more about this project, please contact: success.story@capgemini.com



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