

Business transformation a formula for efficiency at pharma firm

IBM Global Process Services, large-scale client improve HR management with standardized processes

The need

To remain competitive in its industry, a large pharmaceutical company sought to transform, centralize and standardize its global human resources (HR) practices for greater efficiency and cost savings.

The solution

IBM® Global Process Services reengineered the client's worldwide HR services delivery, providing consistent, cost-effective processes and superior services.

The benefit

The pharmaceutical company's HR administration transformation centralized employee service delivery, provided standardized processes for consistent data reporting and reduced global staffing costs.

Balancing the complexities of business against a need for change

The colliding forces of governmental regulation, consumer-driven pricing, patent expiration and the rising cost of research and development caused a large pharmaceutical company to explore new ways to meet the needs of its consumer base and shareholders. The company recognized that operational transformation was critical to future success. One initiative included the use of global service centers to streamline and centralize administrative functions.

The pharmaceutical company had selected its worldwide HR operations as a pivotal point in its paradigm shift. The company had a network of internal multi- and single-country service centers as well as shared service centers located in 26 countries throughout the world. Inconsistent processes and incongruent information impeded its ability to clearly evaluate department performance and corporate needs. Before the paradigm shift could begin, the company teamed with its third-party administrator, Deloitte, and IBM Global Process Services to create a data standardization plan to help meet the company's information requirements.



“We were glad to see the commitment in each of the [IBM global] service delivery centers. The service reps really cared about what they were delivering.”

—Director, HR Global Shared Service Center,
Large Pharmaceutical Company

Developing a strategic protocol for effective transformation

With the task of data standardization completed, the pharmaceutical company set out to select a service provider that could reshape its administration efforts. “Our organization envisioned transforming HR, taking the non-value added work out of the HR realm and moving that to a lower-cost provider,” stated the director of the company’s HR Global Shared Service Center. IBM Global Process Services offered the expertise and resources the client required at a viable price. The company recognized that IBM performs similar work with large multinational clients and noted another key consideration: support services delivered in 11 languages. The Global Process Services teams thoroughly examined the coverage and the process standardization required and then created a three-phase delivery project. Services such as new employee processing, benefits enrollment, employee data management and payroll were administered from language-specific IBM global resource centers located in Budapest, Hungary; Manila, the Philippines; and San Jose, Costa Rica.

Maintaining a hands-on approach in the midst of change

The pharmaceutical company attributed much of its success to the relationship that the Global Process Services team facilitated among the company, IBM and Deloitte. The transparency of group discussions and the flexibility of the teams were keys to the project’s positive outcomes.

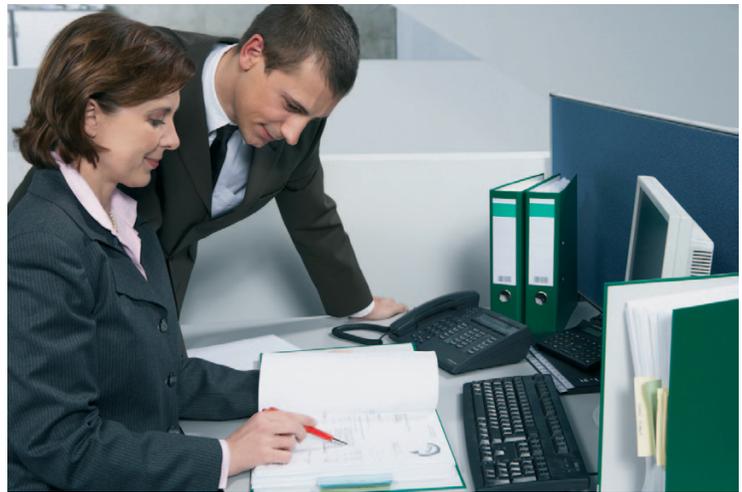
As part of that facilitation, the Global Process Services team established a comprehensive project plan, including tasks assigned to the client and Deloitte, with specific milestones for an end-to-end view of roles and responsibilities. The team held weekly activity checkpoints with each

Solution components

Services

- IBM® Global Process Services
-

of the HR stakeholders. In fact, the pharmaceutical company's transition team took its HR transformation quite personally. Leadership teams from the company worked hand in hand with the IBM global resources teams to facilitate a smooth transition of services. Company leaders attended service center kickoff meetings, actively participated in readiness testing and were present as the centers went live to help provide hyper-care during initial operations. "We were glad to see the commitment in each of the [IBM global] service delivery centers. The service reps really cared about what they were delivering," commented the director. Moreover, many teammates of the pharmaceutical company and IBM continue to keep in touch through LinkedIn and Facebook. Another huge shift included in the transformation was the development of online, self-service HR processes and tools for the company's managers. The tools helped empower managers to complete their own HR transactions instead of relying on local staff.



Collaborating on an innovative merger, acquisition and divestiture playbook

Another significant benefit resulting from the engagement was a playbook of key requirements and inputs specifically designed to address mergers, acquisitions or divestitures. This playbook, a collaboration between the pharmaceutical company and IBM teams, expedited requirements gathering and minimized the amount of client-dedicated time needed to collect the data. The client's director noted: "With IBM, we created standards to quickly integrate or divest [businesses], which is really important given our industry and our key strategies. It's an excellent example of how we've partnered to solve business-related problems." Although the initial document was specific to business requirements at the client's company, IBM shares a full-scope version as value-added intellectual capital with other clients.

Additionally, the Global Process Services team helped the client look beyond its immediate needs with solutions that match its long-term strategies. IBM worked closely with the pharmaceutical company to incorporate these solutions into standard operating practices, understanding that certain areas required client-specific tactics. "The number one value-add was IBM's approach in solving business problems that presented themselves [during the project]," the client's director continued. "We have many examples where we deviated from an IBM standard solution. IBM prepared and proposed different options to help us resolve the challenges. That continued as we delivered services in steady state."

Overall, teaming with IBM for delivery of this HR services project helped the large pharmaceutical company reduce its cost of operations; allowed employees to receive consistent, high-quality services; and freed up country-specific HR representatives to focus on more strategic activities.

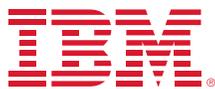
Testing the transition flexibility of IBM Global Process Services

Japan's earthquake and tsunami

March 11, 2011, represented a critical point in the client's global shared services project. On this date, Japan experienced the effects of a magnitude 9.0 earthquake, the fifth-largest since 1900¹, as well as more than 400 aftershocks and a subsequent tsunami. The general disruption of travel capabilities and availability of critical local resources significantly hampered the project's joint transition and testing activities. After carefully considering the unfortunate challenges and associated limitations, IBM and the client teamed to reevaluate project milestones, deliverables, and the effects and potential costs of delays. In response, IBM Global Process Services established two new go live dates to meet the needs of the pharmaceutical company's employees in Japan. The new go live dates were executed on time without additional cost or service impact. IBM forged a particularly strong relationship with the client's Japan team. The circumstances demonstrated the flexibility and capabilities of the Global Process Services team and its ability to work quickly and effectively to adapt to nearly unimaginable client circumstances that most professionals will never have to face.

For more information

To learn more about IBM Global Process Services, please contact your IBM marketing representative or IBM Business Partner, or visit the following website: ibm.com/services/bpo



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¹ <http://www.scientificamerican.com/article.cfm?id=fast-facts-japan>



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