Mankind Pharma uses information insight to create growth opportunities

When market demand booms, companies must react quickly to meet the need or risk being overtaken by more agile competitors. With India's pharmaceuticals market undergoing huge growth, could Mankind Pharma seize the chance to boost sales and market share?

Mankind Pharma has replaced manual processes and scattered information with an integrated suite of SAP® applications running on powerful IBM systems – all expertly managed by IBM® Global Technology Services®.

The new solutions are delivering unprecedented visibility into business activity and have improved planning accuracy by 40 percent, helping teams make smarter decisions. Closely integrating business processes has enabled Mankind Pharma to more easily scale up operations to meet growing demand; for instance, it now takes just one hour to onboard new carrying and forwarding agents, compared to one month in the past. By reducing inventory carrying days by 33 percent, the company can convert stock to sales faster, increasing revenues.

Keeping pace with growth

Founded in 1995, Mankind Pharma is currently among the top five fastest growing pharmaceutical companies in India, with 11,000 employees and turnover of more than USD560 million. A fully integrated pharmaceutical company, Mankind Pharma operates a comprehensive network of 16 manufacturing plants, 59 carrying and forwarding (C&F) agents and 7,500 stockists.

India's pharmaceutical industry is booming, with sales expected to reach more than USD47 billion by 2018. Mankind Pharma wanted to make the most of opportunities to increase its share of this lucrative market, but a

Overview

Challenge

Poor visibility of operational data was holding Mankind Pharma back from making the most of growth opportunities. How could it improve agility and tighten control over business activity?

Solution

Mankind Pharma launched a unified business management solution, built on SAP ERP applications, gaining unprecedented visibility and control of operations.

Key benefits

Reduced procurement costs by seven to eight percent; cut time taken to onboard new partners from one month to one hour; improved planning accuracy by 40 percent; reduced inventory carrying days by 33 percent.

Business Challenge

With India's pharmaceuticals market experiencing booming growth, Mankind Pharma wanted to make the most of the opportunity to increase sales and market share.

Poor integration between locations and limited information insight made it challenging for the company to run its extensive operations efficiently. For example, onboarding new carrying and forwarding agents took several weeks, by which time valuable opportunities to expand might be missed.

lack of integration across its extensive operations threatened to hold the company back from profitable growth.

Pramod Gokhale, VP of Information Services at Mankind Pharma, takes up the story: "Our business has undergone exponential growth over the last few years, and our systems and processes were struggling to cope with the increased demand. For example, if we wanted to expand our distribution network by incorporating a new C&F agent it took around one month to get everything up and running. Our concern was that such delays were potentially causing us to miss out on opportunities to increase sales and win valuable market share."

At the heart of the issue for Mankind Pharma was a lack of visibility and integration across its extensive operations. Without a unified way of controlling and monitoring business activity, it was challenging for decision-makers to gain the trusted insight they needed to optimize operations and plan strategy accordingly.

Unifying operations on SAP

Knowing that it could not afford for IT system limitations to hold back business growth, Mankind Pharma looked for a better way to manage enterprise-wide information and processes. Following a rigorous evaluation of tier-one enterprise resource planning (ERP) software vendors, the company selected SAP as its strategic ERP platform, convinced by the high degree of integration offered by the extensive application suite.

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> **Pramod Gokhale**
> VP of Information Services
> Mankind Pharma

Pramod Gokhale comments: "Out of all the vendors we considered, we found that SAP ERP offered the best fit for our requirements. We wanted a centralized application that could cover all functions – from planning and procurement to manufacturing and finance – and SAP ticked all the boxes."

Forming a close partnership

With the SAP ERP implementation

Increased planning accuracy by 40 percent

representing the biggest IT project that Mankind Pharma has undertaken to date, the company knew that it needed to be expertly managed. Mankind Pharma engaged IBM Global Business Services to guide the implementation and manage the business change and challenges that came with a large-scale IT transformation.

"We recognized that picking the right implementation partner would be key to the success of this project, and undertook an in-depth selection process," notes Pramod Gokhale. "We were looking for a partner with proven SAP implementation experience with at least five large pharmaceutical companies in India, strong local presence and support, and deep industry knowledge and technical expertise.

"IBM Global Business Services really surpassed the competition in every single one of these areas. What's more, thanks to my prior experience with IBM, I knew that they could bring that high level of dedication and experience that we demanded, which gave me added confidence that IBM was the right partner for this project."

Together with IBM Global Business Services, Mankind Pharma worked to bring more than 100 entities onto a single SAP ERP platform within a tight implementation window of just seven months.

Pramod Gokhale says: "We took a big-bang approach to the implementation, bringing all our locations online in May 2011. The project team did a fantastic job and IBM Global Business Services played an important role in our success. We established an excellent partnership with IBM and the close collaboration was instrumental to keeping the project on track and ensuring that all our requirements were met.

"IBM ensured that the right resources were allocated to the right areas, and Mankind Pharma was satisfied by the IBM consultants' industry knowledge and SAP expertise."

Mankind
Serving Life

Solution

Mankind Pharma worked with IBM Global Business Services to unify operations on integrated SAP applications, running on leading IBM server and storage technology.

All business functions now rely on timely, accurate information and common processes, boosting efficiency and providing the deep insight that Mankind Pharma needs to run the business as productively and profitably as possible.

Key Solution Components

Industry

Life Sciences

Applications

SAP® ERP, SAP Business Warehouse, SAP Enterprise Portal, SAP BusinessObjects™ Business Intelligence, SAP Solution Manager

Hardware

IBM® Power® 750 Express, IBM Power 740 Express, IBM Power 710 Express, IBM Storwize® V7000, IBM Storwize V3700, IBM System Storage® DS3950, IBM System Storage TS3200 Tape Library, IBM System Storage TS3100 Tape Library

Software

IBM AIX®

Services

IBM Global Business Services®, IBM Global Technology Services®

Rock-solid support from IBM

With locations across India now relying on SAP solutions, Mankind Pharma knew that it was critical to guarantee top levels of performance, reliability and availability for the new application suite. Without fast, reliable access to information, the company would not be able to coordinate its diverse operations effectively, potentially leading to delays that could negatively impact business performance and erode margins.

To provide a rock-solid foundation for its SAP application landscape, Mankind Pharma selected a combination of leading IBM Power Systems™ servers, running the IBM AIX® operating system, and IBM System Storage® technology.

Taking advantage of IBM expertise

The entire infrastructure is expertly managed by IBM Global Technology Services, delivering optimum availability and reliability while freeing Mankind Pharma from expense and effort of system maintenance.

Pramod Gokhale remarks: "We selected IBM as our hardware provider because we were confident that the IBM systems could deliver the performance and availability that our business demanded. Initially, we had not considered a managed services offering. IBM put together a managed services proposal that demonstrated the considerable cost savings and efficiency gains that could be achieved with this approach.

"Having IBM manage everything – from the SAP ERP and hardware implementation to the ongoing management of the environment – strongly appealed to us. We have a single point of contact for any issues, and we are getting fantastic results from the managed services agreement with IBM Global Technology Services. IBM ensures that the infrastructure is

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Cut inventory carrying days by 33 percent

maintained at an optimum level and that any issues are rapidly resolved. It gives us huge peace of mind to know that our systems are in such good hands – and not having to dedicate resources to IT management is an added bonus!"

Unprecedented agility

Today, integrated SAP applications provide more than 500 employees at Mankind Pharma with a unified view of enterprise-wide information and centralized control over operations.

The company has moved from manual processes to streamlined, online transaction processing, improving efficiency and accuracy.

"With a common IT platform growing the business in a fast, efficient way is now possible. For example, in the past it took us around one month to bring new C&F agents on board. We have cut this down to just one hour since working with IBM Global Business Services to deploy SAP ERP applications.

"Now, new C&F agents can get down to business almost immediately and start delivering value faster than ever before. This kind of agility allows us to get products out of factories and onto shelves more quickly, and helps us broaden our market coverage. As a result we can target more customers and make the most of new opportunities for growth."

Driving smarter decisions

Partnering with IBM Global Business Services to deploy SAP BusinessObjects™ Business Intelligence (BI), Mankind Pharma can provide management with up-to-the-minute views of enterprise-wide activity.

The company has developed more than 50 different reporting dashboards, updated on a daily basis, which provide detailed views of manufacturing, planning, sales and distribution, financial information and more.

With rapid, deep insight into all aspects of operations, executives can make

Business Benefits

- **Cut procurement costs by seven to eight percent, delivering a boost to margins**
- **Improved planning accuracy by 40 percent**
- **Reduced the time taken to onboard new carrying and forwarding agents from one month to one hour**
- **Cut inventory carrying days by 33 percent, helping convert stock to sales faster**
- **Decreased application setup time by 98 percent**

smarter, timelier decisions, helping Mankind Pharma boost business performance and profitability.

Pramod Gokhale says: "Staff can now access accurate, up-to-date information at the click of a mouse, and have unprecedented visibility across the entire business.

"For instance, managers can easily drill down into production data to see where a certain product is along our supply chain, as well as the quantity of that product, its value and manufacturing costs.

"This information is something that our teams simply never had access to before. With the new insight, Mankind Pharma can adjust resources and activity as needed, to help run a more productive and profitable business."

Running a better business

Improved information visibility and accuracy have helped Mankind Pharma to significantly reduce operating costs and have had a positive impact on planning and forecasting activity.

Pramod Gokhale explains: "By working with IBM Global Business Services to deploy SAP applications, we have been able to save seven to eight percent on procurement costs. We have a much clearer view across the entire supply chain and can adopt a much more strategic approach to sourcing, which gives us greater control over procurement spend.

"In addition, better visibility is helping us to improve planning accuracy for manufacturing, distribution and sales operations. We have increased planning accuracy by 40 percent, largely due to the fact that we are now working with accurate, integrated information.

> "With IBM and SAP solutions supporting the business, we are confident that we can take best advantage of the growth opportunities that the market holds, and guide Mankind Pharma to even greater heights of success."
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> VP of Information Services
> Mankind Pharma

Reduced procurement costs by 7-8 percent

What's more, the plans we produce require 70 percent fewer adjustments than before – now that figures are highly accurate, there is less likelihood that we will have to revise forecasts and plans, which saves time and effort.

"There is much more trust in the figures, and management no longer spend time second-guessing whether plans are accurate. Teams feel confident that they are making decisions based on the most accurate information available."

With its entire business now unified on a single SAP ERP platform, expertly deployed by IBM Global Business Services and supported by rock-solid IBM technology, Mankind Pharma can make the most of opportunities offered by a fast-moving pharmaceuticals market.

Pramod Gokhale concludes: "We now have the integrated information and processes in place that we need to make smarter decisions and work more productively. With IBM and SAP solutions supporting the business, we are confident that we can take best advantage of the growth opportunities that the market holds, and guide Mankind Pharma to even greater heights of success."

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