The power of performance management: Success in life sciences

Overview

The world's leading pharmaceutical and life sciences companies choose IBM® Cognos® software to improve product development, increase operational performance, drive revenue and market share and comply with regulatory requirements.

IBM Cognos software is used by 25 of the top 30 pharmaceutical firms as well as leading life sciences and biotech companies. It provides an integrated platform for performance management, and leverages critical data systems including ERP. And it delivers the scorecarding, reporting, analysis and planning tools to optimize performance. With IBM Cognos software, life sciences companies can improve their ability to make timely, informed decisions in all areas: clinical R&D, manufacturing, operations and finance. IBM Cognos software enables pharmaceuticals and life sciences companies to:

- Gain a complete view of the clinical development process to increase clinical efficiency and optimize the cost/value relationship.

- Monitor performance against key milestones such as investigator selection, IRBs, site initiations, enrollment, drug shipments and availability.

- Integrate plans and budgets to provide visibility into clinical spending, predict clinical expenses and maximize financial capital leverage.

- Aggregate customer, channel and product data for a single view of sales volume and to drive more targeted deployment.

- Enable driver-based planning to make better decisions about resource allocations such as marketing programs, advertising and samples.

- Improve contracting effectiveness through better planning and analysis of key performance indicators (KPIs), historical performance and scenario analysis.

- Structure data and reporting to comply with HIPAA, CFR 21, PDMA, state marketing regulations and FDA NDA processes.

Read on to learn more about how:

- **MDS Pharma Services** leverages IBM Cognos software to understand the entire customer relationship–from sales lead to signed contract to project milestones–while enabling managers to proactively monitor strategic accounts on a daily or hourly basis.

- **sanofi-aventis Canada** deployed an integrated business intelligence (BI) and planning solution that allows users throughout the organization to understand and manage budgets while eliminating "non-value work" and manual data input.

- **Sciele Pharma** creates more clearly defined, interactive financial reports that reduce human error and enable insightful analysis.

- **Bachem Holding AG** utilizes BI to accelerate and streamline analysis, consolidation and presentation of financial information throughout the holding company and its subsidiary companies.

Information Management

Cognos®
software

MDS Pharma Services

Overview

In the race to bring much-needed drugs to market faster, leading pharmaceutical and biotechnology companies worldwide rely on clinical research organizations (CROs). MDS Pharma Services is one of the world's leading CROs, providing innovative drug discovery and development services.

A business unit of MDS Inc. (TSX:MDS; NYSE:MDZ), MDS Pharma Services applies advanced scientific and technological expertise throughout the drug discovery and development process–from lead optimization, early clinical research and bio-analysis to global clinical development, central lab and centralized cardiac services. The company's goal is to bring speed, precision and productivity to drug discovery and development.

Challenges faced

MDS Pharma Services was looking for a business monitoring solution that would enable rapid response to fast-changing market conditions, better insight into its sales opportunity pipeline, and improved financial performance. The company needed to understand the entire customer relationship–from sales proposal to signed contract–monitor project milestones and calculate and compare the value of strategic opportunities year over year, by customer and other key competitive factors. And, it needed this information in hours, not days.

Accurate, timely forecasts of revenue and customer demand would help sales teams close more deals, bring higher profits and align expenses with revenue growth. With a better understanding of the most profitable strategic accounts and improved decision-making capability, MDS Pharma Services would also serve the needs of its customers better.

MDS Pharma Services needed a business monitoring solution that could tap into its existing customer relationship management (CRM) platform, its enterprise resource management (ERP) system and other applications to deliver key financial metrics, such as the number of signed contracts as a percentage of total sales opportunities, or the number of days sales outstanding (DSO) in accounts receivable.

However, getting these kinds of metrics was difficult and time-consuming using the company's existing reporting platform. Adding to the challenge was the storage of relevant information in multiple systems. To improve the ratio of closed contracts, it was critical to have a seamless flow of information from the CRM and ERP systems.

"We wanted to see the whole picture– the date when a sales lead was created and how long it took to become a closed opportunity and contract so we could compare our performance to the prior year. And we wanted this information now," explains Kellie Terry, IT Director, Program Management Office at MDS Pharma Services.

Strategy followed

To bridge the gap between its CRM and ERP systems and gain immediate insight into opportunity, revenue and profitability metrics, MDS Pharma Services sought a continuous monitoring solution that would meet these business and technology requirements:

- Financial dashboards to provide daily metrics and analyze profitability year over year.

- The ability to connect to multiple data sources and multiple data objects, and display them in a single view.

- Accurate, timely forecasts of revenue and customer demand to help sales teams close more deals, realize higher profits and align expenses with revenue growth.
- Low total cost of ownership (TCO) through an easy-to-maintain solution with an adaptable user interface for business user self-service..

MDS Pharma Services selected IBM Cognos Now!, the industry's first continuous business monitoring appliance that helps decision makers proactively track, monitor and respond to continuously updated operational metrics in real time or near real time. IBM Cognos Now! delivers highly visual, interactive and self-service operational dashboards, data integration, streaming analytics and reports–all prepackaged in either a hardware, software or VMware appliance.

With all required software pre-installed for fast and easy deployment, IBM Cognos Now! was installed and running at MDS Pharma Services in just five days. Over 100 users were provided access to the system in the first implementation phase, including the sales, finance, IT and operations frontlines as well as C-Level executives. Many were up and running in just eight weeks. The solution's easy integration with existing systems and its ability to consolidate data from multiple sources greatly accelerated time to results.

"One of the nice features of the IBM Cognos tool is the consolidated data stream," observes Ms. Terry. "You can create an agent in IBM Cognos Now! that connects to most data sources and eliminates all the manual work of consolidating and crunching numbers. Now we can see not only our pipeline and projects, but the longevity and profitability of our projects, so we can target the most profitable opportunities."

Benefits realized

IBM Cognos Now! has helped MDS Pharma understand the entire customer relationship–from sales lead to signed contract to project milestones–and which of its managers and business units have the best customer relationships. Managers can proactively monitor strategic accounts on a daily or hourly basis. And week after week, financial managers have continuously improved accounts receivable, reduced DSO and fine-tuned year over year financial metrics.

Financial and AR professionals can drill down to the actual invoice level, see AR aging, back-load aging by business unit, view the top 10 customers with open transactions and slice invoicing data by any criteria. Users can also upload Microsoft® Excel® spreadsheets for look-up in context. Even if the header data is different, IBM Cognos Now! can consolidate data from disparate sources into a single dashboard view.

"You can create an agent in IBM Cognos Now! that connects to most data sources and eliminates all the manual work of consolidating and crunching numbers. Now we can see not only our pipeline and projects, but the longevity and profitability of our projects, so we can target the most profitable opportunities."

Kellie Terry,
IT Director, Program Management
Office, MDS Pharma Services

sanofi-aventis Canada Inc.

sanofi aventis
L'essentiel c'est la santé.

Overview

sanofi-aventis Canada Inc. (sanofi-aventis) is the Canadian affiliate of the sanofi-aventis Group, one of the world's leading pharmaceutical companies. The company is headquartered in Laval, Quebec and employs 950 people across the country.

As a leading healthcare partner, sanofi-aventis provides and develops innovative medicines for treatments in several therapeutic areas, including cardiovascular disease, thrombosis, oncology, metabolic disorders, the central nervous system and internal medicine. The company also plays a role in investing in activities that improve health and quality of life in its communities.

Challenges faced

The Planning and Controlling department recognized that a replacement of their previous planning tool was required, as it did not meet the ever-changing needs of the organization and required manual processes to compensate for the lack of integration. "The reporting process finally reached a breaking point, so we began looking for a system that would provide a higher level of flexibility in terms of report generation and reducing planning complexity," says Tony Fraschetti, IS Director at sanofi-aventis.

Strategy followed

sanofi-aventis evaluated several options to meet their business intelligence (BI) solutions. The company had been using the IBM Cognos Impromptu® reporting product at the time, and decided to evaluate IBM Cognos 8 BI and IBM Cognos 8 Planning–including the Report Studio, Query Studio and Contributor modules–based on its overall satisfaction with IBM Cognos Impromptu. Ultimately, sanofi-aventis selected the IBM Cognos solution based on a couple of key factors. According to Fraschetti, "The IBM Cognos team came to us and presented a demo of their solution. We immediately liked the flexibility offered by the tool, but more importantly, we felt it would meet our reporting and planning requirements, which were extensive in nature."

In terms of the implementation, it was crucial that sanofi-aventis work closely with IBM Cognos Professional Services to ensure continuity of resources.

An IBM Cognos Support manager spearheaded the implementation, making sure sanofi-aventis focused on building the right applications to support its planning processes. sanofi-aventis had set a tight timeframe of only six months to complete the implementation. IBM worked closely with senior management, including the CFO, on a weekly basis providing status reports, giving direction and tackling issues in real time.

Due to the extensive support from the IBM Cognos Professional Services team, sanofi-aventis was able to meet its aggressive timeline, and rolled out IBM Cognos 8 BI and IBM Cognos 8 Planning products during the first quarter of 2008.

"Ultimately, we feel we have the right tool in place with the IBM Cognos system to provide us with the type of agility that is needed in order to move in step with our organization as it continues to evolve."

Tony Fraschetti,
IS Director, sanofi-aventis

In addition, according to Fraschetti, the company developed a support model on-site to make sure knowledge transfer continued on a regular basis. "I think at this point, at the beginning of 2009, we can sit back and say the environments and applications have reached a level of maturity and stability. Now we are at a place where we can move on to other phases." Fraschetti attributes much of the success of the implementation to the IBM Cognos Professional Services team. "I think what was very important and what really made this successful is the fact that the participants from the IBM Cognos Professional Services team were fully dedicated and committed. They fostered a collaborative environment and ensured that we were always following appropriate guidelines when it came to documentation and project design."

In terms of its IT environment, sanofi-aventis runs on Microsoft XP® and uses Oracle® 10 as its main production database. The IBM Cognos team works in conjunction with sanofi-aventis' SAP® enterprise resource planning application.

Benefits realized

Since implementing the IBM Cognos solution, sanofi-aventis now has an integrated BI and planning application in place which allows its users throughout the organization to input their budgets and generate reports directly.

"There's a much quicker response time to different requests that come from customers and management. Overall, with the IBM Cognos solution, there is a greater level of flexibility in terms of answering financial questions and distributing those answers back to their respective business groups in a timely fashion," states Pat Papillo, Senior Director of Controlling, Pharma Operations at sanofi-aventis.

In addition to realizing a greater level of reporting flexibility and quicker response times, the IBM Cognos system has helped make life easier for both customers and financial controlling. sanofi-aventis has gained efficiencies throughout the organization, which have allowed the company to eliminate a lot of "non-value work" and manual input. Papillo attributes this success to the up-front work that was done by the IBM Cognos Professional Services team. From a forecasting perspective, users are able to go on-line and track their spending level and budgets on a real-time basis. Using the IBM Cognos system helped the company to come in on budget this past year, which has pleased the senior management team.

sanofi-aventis is currently going through another organizational change and, according to Fraschetti, the company will look to build on its IBM Cognos solutions and services during this transition time. "We're looking at an IBM Cognos solution to help us add greater efficiencies and reduce some of the complexities of how we're working internally. Ultimately, we feel we have the right tool in place to provide us with the type of agility that is needed in order to move in step with our organization as it continues to evolve."

Sciele Pharma, Inc.

Overview

Founded in 1992, Sciele Pharma, Inc® specializes in sales, marketing and development of branded prescription products that are focused primarily on cardiovascular health, diabetes, women's health and pediatrics. The company's success lies in its ongoing goal to place the needs of patients first, improving health and quality of life and executing its business platform, which consists of entrepreneurial spirit, innovation, speed, simplicity and teamwork.

With 900 employees, the pharmaceutical company was growing at a rapid pace and needed to align its users on a common IT framework. Sciele wanted to deploy an enterprise-wide system that would unite disparate software and hardware, and develop an IT system that incorporated comprehensive business intelligence (BI) software. The company chose an IBM Cognos solution to enable its sales and finance departments to gain full, real-time access to the information in its database and provide organized reports for better forecasting.

Challenges faced

The sales and finance departments at Sciele were accustomed to using Microsoft Excel spreadsheets to document and record all transactions, yet it soon became clear that an established and detailed IT financial planning and reporting system needed to be implemented as the company grew in size. This request came from the finance department, and the challenge remained in trying to get the IT department on board.

Since Sciele used solely Microsoft products in its IT department, it was difficult to encourage IT to look into a planning and BI product from a different vendor. The department had a long, existing comfort with the current Microsoft technologies. Yet, they realized that although they had solved specific problems, it became problematic to keep the processes and information in real-time format as the company grew.

"There was a preference in IT for Microsoft-based solutions, so we had to demonstrate that this was a completely different paradigm," states

Dan Vaagen, Finance Director, Sciele Pharma Inc. "To align our users quickly into a common planning and reporting framework, we needed to convey to IT that they would be expected to help only in the initial deployment. Once the foundation was established, the users would determine the course."

Strategy followed

With plans in place to upgrade its existing forecasting tool and implement a planning solution that was the foundation for an enterprise-wide reporting platform, Sciele evaluated

"With IBM Cognos Planning, we've been able to produce more accurate forecasts, and the speed of execution has improved dramatically. Additionally, with IBM Cognos 8 BI, we are able to update our forecast in real time, and make informed business decisions from it, which was difficult before."

Dan Vaagen,
Director FP&A, Sciele Pharma Inc.

Adaptive Planning, Clarity Systems, IBM Cognos and FRx Forecaster solutions. The company was looking for a scalable tool that would not only keep up with expansion but also assist in keeping pace with future growth.

Ultimately, Sciele chose an IBM Cognos solution for its "well established track record of success" in the industry. The company originally selected IBM Cognos 8 BI and then IBM Cognos Planning. The decision was made to begin with the planning solution in order to address a more immediate need to tackle forecasting and move away from spreadsheets. Once IBM Cognos Planning was in place, Vaagen and his team felt it would be logical to introduce a more enterprise-wide solution, which would lead to the deployment of IBM Cognos 8 BI.

"Once we implemented IBM Cognos Planning, it was just logical to move ahead with IBM Cognos 8 BI because it was an easy segue onto an IBM Cognos platform," recalls Vaagen. "Before we purchased IBM Cognos Planning, we couldn't get the right traction to align on a particular product or process. So I used the planning tool as a catalyst to push BI to the forefront because we needed a new forecasting tool that was intuitive and gave us reporting capabilities."

With the transactional, detail-oriented features of IBM Cognos Planning, Vaagen was looking for a way to encapsulate and display the results in an executive dashboard for user-friendly access. "We knew we needed to couple the planning solution with a BI tool that could be easily integrated, which really accelerated the BI push and prompted a quicker deployment."

With several groups involved in the different elements of planning, and now that IBM Cognos Planning and IBM Cognos 8 BI are successfully deployed in the finance department, Sciele is expanding its use of the IBM Cognos system into its sales operations to use for incentive compensation planning, sample optimization, supply chain and forecasting inventory purchases.

Benefits realized

Now, the finance and sales departments at Sciele have one version of the truth when they view their data. The company has already cut down on the amount of individually updated and non-integrated spreadsheets that are shared throughout the company, with the assistance of both IBM Cognos Planning and IBM Cognos 8 BI. "When you head into a meeting with the same interactive data that everyone has contributed to, you have a consistent version of the information," states Vaagen. "So, everyone is singing off the same sheet of music, much more so than we were five or six months ago."

Additionally, with the old Excel spreadsheets gone, users are now able to create more clearly defined, interactive reports that reduce human error and enable insightful analysis. "It gives us the ability to spend a lot less time compiling data and more time analyzing it, which is probably the biggest advantage from a human resource perspective," notes Vaagen. "We're not spending time keying in data, or cutting and pasting. We're actually spending time identifying ways to make the business operate more efficiently."

This capability has also made its way to Sciele's executive management. The team is now able to manage the edits and modifications that are made during board meetings in real time, emphasizing the difference between the previous method of just compiling data rather than analyzing the information for an enhanced business impact.

Vaagen sums up the benefits he's been able to achieve for the company through his IBM Cognos experience by saying, "With IBM Cognos Planning, we've been able to achieve more accurate forecasts, and the speed of execution has increased dramatically. Additionally, with IBM Cognos 8 BI, we are able to update our forecast in real time, and make informed business decisions from it, which was difficult before."

Bachem Holding AG

BACHEM

Overview

Bachem is an independent, technology-based, public biochemicals company that provides a full service to the pharma and biotech industry. Bachem specializes in the process development and manufacture of peptides and complex organic molecules as active pharmaceutical ingredients (APIs), as well as innovative biochemicals for research purposes. With its headquarters in Bubendorf, Switzerland, and a total of nine production and marketing companies in Europe and the USA, Bachem works on a global scale and holds a leading position in its field.

Bachem has introduced IBM Cognos 8 BI in the sales and logistics departments of its Swiss branch to analyse ERP data, and the IBM Cognos 8 Controller solution has been implemented at the holding company for consolidation and controlling. IBM Cognos solutions were selected independently for both projects, winning through against the competition. At Bachem, IBM Cognos 8 BI and IBM Cognos 8 Controller are increasingly working together at different levels and playing a more important role.

Challenges faced

Like many other companies, Bachem was forced by the Y2K issue to migrate to a new ERP system. However, the Movex ERP solution, chosen mainly on the basis of its strength in the logistics area, had no analysis tools. The ensuing brief evaluation, and a recommendation by the ERP manufacturer, led to the decision to implement an earlier version of IBM Cognos software for analysis of sales data according to various criteria, such as customer or country, and to analyze connections.

Strategy followed

Later, as part of an upgrade, some new functions and add-ons were incorporated into the ERP system, in particular in cost accounting, and an Microsoft SQL Server® -based data warehouse was created. These innovations led the company to consider upgrading to IBM Cognos 8 BI. After a brief comparison of other solutions, the company opted for IBM Cognos once again.

Bachem AG Switzerland, which accounts for around 60% of the group's activities, is now using IBM Cognos 8 BI, with IBM Cognos 8 Data Manager for its ETL tool, and Framework Manager, Analysis Studio and Report Studio. Analyses are carried out in analysis models using the Movex data aggregated in an intermediate step. The main focuses are analyses of sales figures according to various criteria, an inventory valuation–a very complex process involving the monthly evaluation of 36,000 batches and thousands of products–and a logistics model with suppliers, prices and batches. In the past, just a few employees in management and business development used the earlier IBM Cognos solution.

The introduction of the new functions and options in IBM Cognos 8 BI has increased this number to around 25 in management, sales and logistics. Throughout the entire project, the IBM Cognos partner iNFORMATEC, with extensive Movex expertise, was responsible for analysis, installation, training and support.

Bachem Holding AG encompasses a total of nine production and marketing companies in Switzerland, the UK and USA. The holding company monitors and gathers figures and consolidates them for reporting. After an initial phase involving manual entry of figures and the use of a Frango solution for consolidation, Michael Hüsler, CFO of

Bachem Holding AG, initiated a new evaluation. The new solution needed to offer more functions, while the takeover of Frango by IBM Cognos opened up the opportunity for a new direction. The additional requirements for the new consolidation solution were:

- Decentralized, Web-based capture in the companies.
- Functions such as technical consolidation and automatic creation of IFRS annual accounts, including automatic creation of cash flow accounting and information for the appendix to the annual accounts.
- Advanced reporting.

During the evaluation phase, the company examined the manufacturers SAP and Hyperion in addition to IBM Cognos, quickly finding the SAP ECCS solution to be less relevant without the SAP ERP system. Of the two remaining suppliers, the deciding factor proved to be the simpler customizing philosophy supported by Frango and developed by IBM Cognos, as opposed to Hyperion's customer-specific programming. In addition, the selected IBM Cognos BI solution promised more future synergies at Bachem AG Switzerland.

Benefits realized
Group-wide reporting is now carried out in IBM Cognos 8 Controller, the central consolidation and reporting tool. Reports are generated automatically on the basis of figures captured locally and validated in the system – from monthly

reports and company budgets through to annual and multi-annual planning.

Hüsler says, "IBM Cognos 8 Controller has brought huge improvements in the process. Monthly financial statements are available faster, the risk of errors has been reduced and the accuracy of estimates has been increased. All companies now have access to their reports as the basis for standardized monthly COO reporting at each company."

Between one and three people are now using the tool at each group company, including finance managers at the holding company, which amounts to a total of 15 to 20 users. Throughout the entire project, the IBM Cognos partner Addedo was responsible for technical implementation, training and support. iNFORMATEC remains responsible for technical implementation and support.

The use of IBM Cognos 8 BI at Bachem AG Switzerland and IBM Cognos 8 Controller at Bachem Holding AG has accelerated and streamlined analysis, consolidation and presentation of figures. The next step involves the creation of a quotation database to help the company produce its quotations faster and more accurately, and various Crystal reports will also be migrated to the IBM Cognos 8 BI platform. Subsequent group-wide use of IBM Cognos 8 BI is possible, following on from the implementation at Bachem AG Switzerland.

"Our ERP system had no integrated analysis functions. With IBM Cognos 8 BI, we can report and analyze ERP data perfectly in purchasing, sales and logistics. In particular in the logistics area, the latest version has simplified and streamlined our processes."

Dr. Thomas Früh,
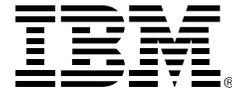*Executive Vice President and COO,*
Bachem AG Switzerland

About IBM Cognos BI and Performance Management

IBM Cognos business intelligence (BI) and performance management solutions deliver world-leading enterprise planning, consolidation and BI software, support and services to help companies plan, understand and manage financial and operational performance. IBM Cognos solutions bring together technology, analytical applications, best practices and a broad network of partners to give customers an open, adaptive and complete performance solution. Over 23,000 customers in more than 135 countries around the world choose IBM Cognos solutions.

For further information or to reach a representative: www.ibm.com/cognos/lifesciences.

Request a call

To request a call or to ask a question, go to www.ibm.com/cognos/contactus. An IBM Cognos representative will respond to your enquiry within two business days.

IMC14380-CAEN-00