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Achieving Consolidated SAP Instance at **Bristol-Myers Squibb**

How the Global Biopharmaceutical Leader Relies on SAP Enterprise Support to Reduce Risk and Improve Visibility

Bristol-Myers Squibb



IT experts commonly advise enterprises to consolidate their IT systems, preferably into a single instance. But while that strategy may bring efficiencies, it also carries certain risks. Should that single instance fail, a global company could find itself brought to a standstill, not just in one office or region, but around the world.

At global biopharmaceutical company Bristol-Myers Squibb (BMS), the business's mission is to discover, develop, and deliver innovative medicines that help patients prevail over serious diseases (see sidebar below). Any interruption of service would be serious and, if prolonged, catastrophic. To safeguard itself against such a disaster, BMS opted to partner closely with its software provider, SAP, taking full advantage of the vendor's top-level support offering, SAP Enterprise Support.

"This level of support offers around-the-clock coverage, so we can call any time, day or night, and we get people started on the issue — and they keep working on it until it's solved. That's very important for us, especially given the size of our SAP instance and the fact that we only have the one instance," says Michael DiNovi, Director of Application Services at BMS.

Relying on a Single Instance

"Downtime is a big problem for us because we have people on our global system 24/7," says DiNovi. "We need quick responses and to keep downtime as low as possible."

An SAP customer since 1997, BMS completed its technical upgrade to SAP ERP 6.0 in May 2008 with very few issues. "Because of the size of our instance, it is not really possible for us to perform a technical upgrade and try to change business processes at the same time," DiNovi says. Instead, BMS does its technical upgrades first, and then implements the additional enhancement packages, support packs, or other available functionality in the years that follow.

"We will now use all of the latest and greatest features and functions that are available in SAP ERP 6.0 enhancement package 4 and enhancement package 1 for SAP NetWeaver so we can provide standard SAP functionality, rather than having to customize," says DiNovi. "If we use SAP software as it is intended to be used and don't customize it, we can not only respond to business changes faster, but also continue to improve our business processes and efficiency in performance."

by **Evan J. Albright**

Discovering, Developing, and Delivering Innovative Medicines

Bristol-Myers Squibb and its partners focus on discovering, developing, and delivering innovative medicines that help patients prevail against serious diseases. Around the world, Bristol-Myers Squibb's medicines help millions of patients in their fight against diseases such as cancer, cardiovascular disease, diabetes, hepatitis B, HIV/AIDS, psychiatric disorders, and rheumatoid arthritis. Additionally, the company's philanthropic programs have given new hope to some of the world's most vulnerable citizens.

As a global biopharmaceutical company, Bristol-Myers Squibb uniquely combines the reach and resources of a major pharmaceutical company with the entrepreneurial spirit and agility of a successful biotech company. The company's pipeline is considered among the most productive in the industry.

Bristol-Myers Squibb pledges to deliver on its commitments to patients and customers, employees, global communities, shareholders, and the environment.

According to DiNovi, this method works very well. “Within a week of our SAP ERP go-live, we were stable. It was, to a large degree, a non-event for us to do the technical upgrade. One reason for that was the help we received from SAP Enterprise Support,” he says. “They were very much engaged in that whole process, along with the team, so it went extremely well.”

Eliminating Risk with SAP Enterprise Support

For BMS, the biggest benefit of its SAP Enterprise Support agreement has been in the area of risk management. “When looking at how to manage risks, and how to do so cost-effectively, SAP has to be a piece of that, in our mind,” DiNovi says. “No one knows the software as well as them. No one knows the interaction between the software and the database and all of the other technical components like SAP does.”

According to DiNovi, fully engaging SAP for support helps streamline the resolution of issues as they arise. “It didn’t make sense for us to have a lot of middlemen,” he says. “We much prefer to engage directly with the people who are going to help us.” Because of its extensive engagement with SAP for support, BMS can rest assured that SAP knows the biopharmaceutical company’s systems and how they

are used. He says that anyone else would require extensive education, having to learn the systems and the BMS organization before they could begin to solve an issue.

BMS engages with SAP Enterprise Support on several levels to make sure the company gets the appropriate expertise and can access SAP’s development organization, should any critical issues arise. According to DiNovi, BMS engages SAP Enterprise Support:

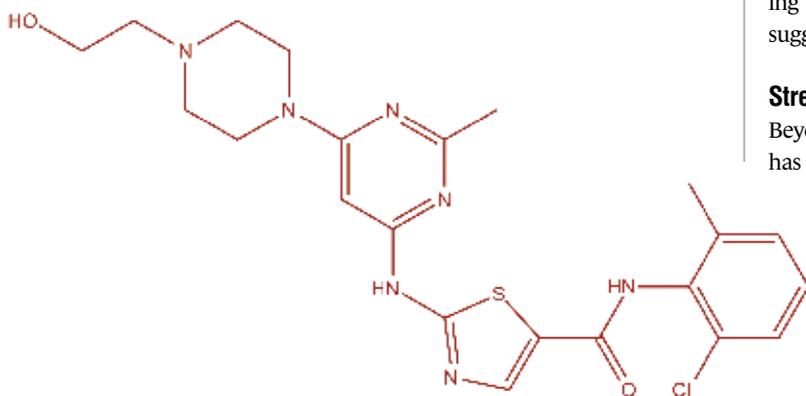
- From a technical standpoint, to work on analysis, design, and build
- As part of the implementation team, to perform instance and performance testing and other proactive services, such as SAP GoingLive Check and SAP EarlyWatch Check
- On a case-by-case basis, to perform Continuous Quality Checks for implementation checks and other assessments

According to DiNovi, BMS sees the additional support from SAP Enterprise Support services as a huge advantage. “SAP can look at things that we won’t necessarily look at, or that might be more difficult for us to look at,” he says. “They have a lot more experience across their customer base and can more easily identify warning signs, point out critical mistakes ahead of time, or suggest process improvements.”

Streamlining IT Systems and Processes

Beyond its SAP ERP instance consolidation efforts, BMS has also been working to streamline its overall IT architecture over the past several years. “We want to retire several legacy systems that were custom-written in-house and bring those functions into our SAP software,” says DiNovi.

Also as part of this initiative, the company wants to streamline and standardize its processes to better align them with the SAP software. “Our perspective is that SAP comes with a lot of technical



4 Tips for Getting the Most Out of SAP Enterprise Support

1. Dedicate resources to engage with SAP. “SAP is a very large company,” DiNovi says. “The business wants to engage with its customers, and a lot of benefits can be gained through that engagement process.” The question then becomes, how should you engage? DiNovi believes it’s best to have a team of individuals who own, manage, and nurture that relationship. That way, you’ll get things done — through SAP — more effectively and efficiently.

2. Set reasonable expectations. Building a relationship with SAP does not happen overnight. “It’s a journey and a process, and it does take time,” DiNovi says. “We’ve gotten a lot more efficient over time. We understand the best way to work together and are now able to work through each other’s organizations much more effectively,” he says.

knowledge,” says DiNovi. “Their experts write the software and understand the system in the way they intended it to be used. We understand it the way BMS wants to use it. We want to bring those two things together — because if we don’t, we might do something that’s contradictory and cause a support issue.”

A major motivator behind this standardization initiative is the business’s desire to improve its financial processes and back-office systems, including the way that costs are structured. “We have a bunch of disparate systems that we need to align in order to understand our cost structures throughout our entire corporation. This is quite a difficult, time-consuming, and cumbersome task,” DiNovi says. “This initiative is designed to remove some of those systems and to standardize and change processes, getting much cleaner visibility into our costs and where those costs are generated within our company — all so we can manage our product portfolio more effectively and much more quickly.”

Boosting Spend Visibility

One key part of the initiative is BMS’s recent project involving an implementation of the SAP Resource and Portfolio Management (SAP RPM) application, which integrates with SAP ERP and includes a customized portfolio management process to track expenditures on particular projects.

“We want to do this for our marketing spend — to manage advertising and promotions, as well as facilities, engineering, and a variety of different functions within the business,” said DiNovi.

BMS requires the business to track its projects in order to understand how different departments spend their money, including the accruals and projections around those types of expenditures. According to DiNovi, BMS chose the SAP RPM application as an alternative to developing custom functionality. “When the business requested different features and functionalities and a common standard process, we wanted to replace customization and find a separate application — and SAP RPM was the right application for us,” he says.

3. Establish a collaborative relationship. DiNovi says the relationship between SAP and BMS is productive, healthy, and collaborative. “Our partnership brings significant benefits to both BMS and SAP. In fact, over the last 18 months, we participated in some development that SAP is working on,” he says. “They walked through some application prototypes and solicited input to help understand our needs and how we manage that specific business process. We were very candid from a variety of perspectives, the good and bad, which allows them to be more prepared for their other customers.”

4. Don’t be afraid to participate and speak up. BMS actively participates in SAP training and sends a number of its employees to SAP-focused conferences every year. BMS executives also sit on the life sciences executive committee and attend influence councils, where they discuss SAP products. “Because we have been getting much more engaged with SAP, they’ve been much more willing to proactively engage with us and ask for our opinion about products,” says DiNovi. BMS sees great benefits from getting more involved.



“We can respond faster and better, and we can escalate things much more appropriately — to the right level — to get the appropriate response.”

— **Michael DiNovi**, Director of Application Services, Bristol-Myers Squibb

BMS engaged SAP Enterprise Support during a project to proactively identify risks to help understand any potential problems and how to fix them. “They performed scheduled quality checks, which uncovered a number of issues that we were then able to rectify prior to going live,” says DiNovi.

After go-live in December, BMS encountered an issue where one of the portal interfaces would time out. SAP Enterprise Support identified the source of the time-out and corrected it. “We got the right resources involved who then spent a lot of time looking at our system and helping us understand what the fundamental problem was,” says DiNovi. “We just did our last series of accruals and projections, and we uncovered only very minor issues, so we feel good about where we are.”

Application Lifecycle Management with SAP Solution Manager

To manage all of its SAP landscape changes and create a global template for its consolidated SAP instance, BMS also implemented SAP Solution Manager 7.0. Previously, the company relied on procedural controls for what occurred in the SAP software; it maintained a separate change management system for modifying documentation, and the SAP system itself wouldn’t have a record of the changes.

“Previously, we had a legacy system that managed our workflow and documentation for our validation requirements for the FDA and other regulatory agencies around the world. Then, we had to run audit reports to show that we’d actually followed our procedures, which was a lot of extra work with no value added,” DiNovi says. “SAP Solution Manager has really helped us to be compliant. It allowed us to get rid of those audit reports because we now have systematic controls instead of procedural controls.”

SAP Solution Manager also provided BMS with the ability to create a global template of its requirements and the design built within its SAP systems to support all of its business processes. This template functions as a list of all the business processes, as well as their relationship to the transactions and all of the technical documentation created over the years to support those processes.

“SAP Solution Manager allows us to traverse back and forth from technical to business processes, which we were never able to do before. It’s been a wonderful benefit to us in terms of efficiency and robustness,” says DiNovi.

Today, thanks to its single SAP instance, emphasis on maximizing SAP Enterprise Support, and use of SAP Solution Manager, BMS believes that it is better able to manage risk. “We can respond faster and better, and we can escalate things much more appropriately, to the right level, to get the appropriate response,” says DiNovi.

This commitment to faster response time perfectly complements the company’s ongoing dedication to social responsibility. ■

Contributing editor Evan J. Albright is a member of the LeadGen Writers Group (www.leadgenwriters.com), which provides SAP partners with writing, editing, and marketing services aimed at growing sales pipelines. A professional writer for 25 years, Albright is former senior editor of *SAPinsider* and *SAP NetWeaver Magazine*. He can be reached at ejalbright@leadgenwriters.com.

“For us, the biggest driver for selecting SAP Enterprise Support was risk management.”

— Michael DiNovi, Director of Application Services, Bristol-Myers Squibb

At a Glance

Bristol-Myers Squibb

Headquarters: New York, New York

Industry: Biopharmaceuticals

Revenue: \$18.8 billion (2009)

Employees: 27,000

Company details:

- Founded in 1887
- Delivered 9 new products since 2002 (with 5 more approvals or regulatory submissions anticipated through 2012)
- R&D investment: \$3.6 billion (2009)
- Recognized as 8th among 500 of the largest US corporations in *Newsweek's* 2009 Green Ranking
- NYSE: BMY
- Website: www.bms.com

SAP solutions:

- SAP ERP 6.0
- SAP NetWeaver BW
- SAP NetWeaver PI
- SAP APO
- SAP RPM
- SAP BusinessObjects Global Trade Services
- SAP Solution Manager