



## APPLERA CORPORATION

### SAP BUSINESS TRANSFORMATION STUDY

#### AT A GLANCE

<b>Industry</b>	Life sciences
<b>Revenue</b>	US\$1.9 billion
<b>Employees</b>	5,400
<b>Location</b>	Norwalk, Connecticut
<b>Web Site</b>	www.applera.com; www.celera.com www.appliedbiosystems.com
<b>SAP® Solution &amp; Services</b>	SAP® ERP Human Capital Management solution
<b>Implementation Partner</b>	Andersen Consulting

Applera Corporation operates 2 business groups – Applied Biosystems and the Celera Group. Applied Biosystems supplies life science firms and research institutions with products and services for genetic research; drug testing; food and environmental testing (contaminants); and DNA-based identification procedures. The Celera Group is a molecular diagnostics business dedicated to the discovery, development, manufacture, and registration of in vitro diagnostic products.

#### Key Challenges

- Inconsistent processes between divisions and regions
- Ineffective, paper-based human capital management (HCM) processes
- Outdated IT and inadequate reporting capabilities
- Limited manager access to employee information
- Inconsistencies due to multiple interfaces
- Inability to integrate HCM processes with finance
- Lack of visibility into employee training and development

#### Why SAP Was Selected

- Scalable functionality; support for corporate growth
- Ability to meet global and multilingual needs
- Seamless integration with existing SAP® software
- SAP's proven track record
- Applera's previously successful relationship with SAP and its confidence in the vendor's HCM solution

#### Implementation Best Practices

- Strong support from executive leadership and management
- Consistent implementation with phased deployments by region
- Initiation of change management prior to introducing the new system
- Gradual adoption of new processes to ease user transition
- Comprehensive training for users and IT staff
- Long-term HR strategy

#### Low Total Cost of Ownership

- 80% reduction in systems (from ~10 to 2 systems)
- Ability to leverage existing SAP infrastructure for global deployments
- Small 3-person support team for HCM application
- Reduction in time spent on reporting and data cleansing
- Single source for employee- and HR-related data

#### Financial and Strategic Benefits

- Increase in strategic portion of HR project budget (from under 25% to 70% of budget)
- Clear and consistent reporting due to tight integration between finance and HR
- Better use of workforce data
- Support for growth – without needing additional HR full-time equivalents
- High level of employee satisfaction due to enhanced HR services
- Accurate tracking of project costs

#### Operational Benefits

Key Performance Indicator	Impact
User name/password reset calls	-50%
Duration of HR benefits enrollment process	-63% (by 5 months)
HR staff needed for benefits enrollment	-67%
Cost savings per employee	US\$6.60
Data entry calls to HR	Reduced from 70% to 20%
Password change requests and system-related calls	Reduced from 50% to 10%
Time spent on operational headcount reports	-90%



**“Now we can deal with issues on an exception basis, which allows us to focus on more important tasks such as recruiting and retaining good people.”**

Paul Arata, Vice President, HR and Site Services, Applera Corporation

**“Putting information in employees hands is very important. . . . With the SAP software, my team has been able to dramatically reduce its workload.”**

Martha Seaman, Director of Benefits, Applera Corporation

### Consolidation and Modernization

Applera Corporation – a leading international provider of life sciences research and diagnostic solutions – was on the cutting edge of its field, but needed to focus on streamlining internal resources. Applera’s human capital management (HCM) processes were antiquated and inefficient. Users had to enter and retrieve data from various systems, which created inconsistencies and hampered information sharing. As a result, HR spent the bulk of its time focusing on transactions and reacting to problems rather than developing employees and driving organizational change.

Applera needed to consolidate and update its systems to improve user experience; free up its HR employees’ time so they could concentrate on more strategic tasks; and streamline the HR organization’s operations. Furthermore, Applera wanted a consistent look and feel for all of its applications, as well as the flexibility to develop additional functionality as needed.

Because the company had already established a trusted relationship with SAP during its successful implementation of the SAP® GRC Global Trade Services application, Applera’s choice of the SAP ERP HCM solution made perfect sense.

### A Three-Phased Implementation

Applera implemented the solution in three phases. The first phase of the project – which focused on consolidating existing systems and improving user functions – took only three months.

During the second phase, the implementation team added functionality that would allow employees to access and make changes to their benefits information, precluding the need for reenrollments each year. Applera’s HR department provides an enhanced enrollment experience to employees including administration and self-service within one system. “Before the SAP solution was implemented, my team was continuously feeding data back and forth between several systems, both in-house and outsourced. Keeping the systems synchronized consumed significant resources which we can now devote to strategic and analytical work,” says Martha Seaman, director of benefits at Applera.

The third phase of the implementation involved deploying functionality that would help Applera meet internal and external auditors’ requirements, improve administrative efforts, remain in compliance with ISO 9002 regulations, and improve users’ access to internal training and development programs. Additionally, the new software would allow managers to access and manage basic information about their direct reports, features that were sorely lacking before.

“We now work very closely with the corporate team to deliver tangible business value by leveraging the software,” says Hamid Ghods-Gooya, senior director of HR technology at Applera. “Our user acceptance is very high, and Applera continually approaches our team for help in solving HR-related business issues.”

### From Reactive to Proactive

With SAP ERP HCM in place, Applera can spend less time reacting to problems and more time proactively seeking ways to improve and support managers and employees. By automating many processes that were formerly manual tasks, Applera’s HR department has become a more efficient and cost-effective part of the organization. For example, HR has been able to reduce administrative cost and effort, while still maintaining a consistently high level of service. And, because HR is tightly integrated with finance, the shared services organization can deliver more consistent and accurate management reports in less time. For instance, a monthly operational headcount report, which previously took 20 hours each month to complete, takes only 2 hours today.

“We now have the tools to support both our strategic as well as transactional needs,” says Ghods-Gooya. “Our managers, HR professionals, and financial analysts rely on these tools to help them make smarter decisions.” Now that the HR team is spending less time on administrative tasks, it can focus its efforts on more value-added activities, like learning management and training, and help Applera remain on the cutting edge.