

# Recipharm rolls out SAP in just seven months with the innovative IBM Express Life Sciences Solution



*With help from IBM Global Business Services and IBM Application Management Services*

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## Overview

### Business challenge

Following its acquisition of a pharmaceutical manufacturing facility in Ashton-under Lyne, UK, the Swedish pharmaceuticals company Recipharm AB wanted to replace four local legacy systems, which were reaching their planned end-of-life, with a single centralised ERP system to maximise performance and efficiencies. The company's head office chose SAP® as its group-wide ERP solution, and selected the Ashton facility as the pilot for the first rollout.

### Solution

Following extensive research, Recipharm selected IBM® Global Business Services® as its implementation partner, and used the IBM Express Life Sciences Solution, a qualified SAP Business All-in-One solution, to perform a rapid rollout within just seven months. Ongoing support is provided by IBM Application Management Services from India.

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Recipharm AB is one of the world's leading pharmaceutical contract development and manufacturing organisations (CDMO). It employs nearly 2000 people and operates nine manufacturing sites and three development facilities in Sweden, France, Germany, the UK and Spain. In 2010, the company generated revenues in excess of 2.2bn Swedish Kroner.

### The challenges of growth

“Traditionally, Recipharm has used a fairly decentralised operational model, so each site has its own business processes and IT systems,” explains Jeanette McCormack, Head of Supply Chain at Recipharm Ltd in Ashton. “However, as the group grows through acquisition, the benefits of standardising certain aspects of our operations are becoming more important. For this reason, the group decided to select a standard ERP solution and gradually utilise it across all sites. The solution they chose was SAP ERP, and Ashton was chosen as the site of the first rollout.”

Ashton's existing IT infrastructure was based on four main systems: Oracle GEMMS for manufacturing management, Oracle Financials for accounting, Manugistics for production planning, and Athena for asset management and maintenance. All these systems were reaching the end of their support period, and the planning system was hard-coded with an end-of-life date in December 2010. It was vital to replace this system as quickly as possible with a new and more beneficial system, and the company knew that SAP was one of the few vendors that could provide a single solution that would replace all four legacy platforms.



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## Business Benefits

- Used an innovative implementation method to deliver tier-one ERP within the budget of a mid-sized organisation.
  - Enabled a rapid, game-changing SAP implementation ahead of a business-critical deadline.
  - Moved to a single, central system, improving data quality and streamlining processes.
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## Finding the right partner

“We set a go-live target of May 2010, which would leave us just seven months for the implementation,” comments McCormack. “This was an extremely aggressive target, and we realised that if we were going to achieve it, we would need to find the right implementation partner. We created a shortlist of three partners and when we met their project teams, in our opinion, IBM Global Business Services was clearly the most impressive.

“The IBM team listened to our requirements, answered all our questions, and demonstrated that they could deliver the project on time and on budget. They had previously worked on a very similar SAP implementation for another mid-sized pharmaceutical company, and the feedback from their former client was excellent.”

## IBM Express Life Sciences Solution

One of the major advantages of IBM’s proposal was the ability to use the IBM Express Life Sciences Solution, a qualified SAP Business All-in-One solution that provides a template specifically tailored to support best-practice business processes for the pharmaceuticals industry.

“The IBM Express solution saved us from having to reinvent the wheel, and helped us get the project completed on time,” says McCormack. “We only needed to make a few customisations, and with the small, efficient change control committee that IBM helped us to set up, we were able to handle these quite easily.”

As a result, the combined Ashton and IBM team was able to deliver an SAP ERP solution that handles financial accounting (FI), controlling (CO), sales and distribution (SD), production planning (PP), warehouse management (WM) and materials management (MM), within the seven-month deadline. The solution runs on Microsoft Windows® and Microsoft SQL Server® at Recipharm’s main data centre in Sweden. Ongoing support is provided by a team from IBM Application Management Services, based in India.

## A successful engagement

“The engagement with IBM has been a major success,” comments McCormack. “The team from Global Business Services did a wonderful job of leading us through the implementation itself and providing training to help our in-house staff get up and running with SAP. The resources that IBM Application Management Services provides have been vital too: for example, at one point we were looking to hire a new person for our in-house finance team, and it was proving difficult to find someone with the appropriate skills. IBM was able to give us extra support in the key areas until we found the right candidate.”

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## Solution Components

### Software

- IBM® Express Life Sciences Solution
- SAP® Business All-in-One

### Services

- IBM Global Business Services®
  - IBM Application Management Services
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*“A lot of smaller organisations think SAP is too complex, too expensive, too difficult to implement – but this project shows that with the right partner, it needn’t be beyond their reach.”*

— Jeanette McCormack, Head of Supply Chain at Recipharm Ltd

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The SAP solution has now been live for eight months, and the in-house team has continued to meet regularly to iron out issues and plan future projects.

“We knew that SAP implementations can be complex, so we planned these meetings to monitor the solution post go-live and address any problems,” says McCormack. “But in fact, there have been far fewer issues than we predicted. Our SAP helpdesk is only logging about five or six issues per week, most of which are easily closed out. As a result, we found that we didn’t have much to discuss at our meetings, so we have started to use the sessions to plan future SAP developments instead!”

## Process improvements

With the solution in place, Recipharm is already seeing some important improvements. With a single central database, there is no longer a need to maintain separate datasets in different systems, which improves data quality and reduces the need for spreadsheets to fill the gaps between systems. The ability to manage most major business processes in a single system also helps to streamline processes such as production scheduling, order management, and stock-keeping. Moreover, retiring the four legacy systems has cut complexity and saved software licensing and maintenance costs for Recipharm’s IT team.

## International rollout

Recipharm is now planning to roll the SAP solution out to its other facilities, starting with a site in Germany. The company has already decided on a single product numbering system that will be used across the whole group, and hopes to standardise other aspects of its operations as the rollout progresses.

“Although we’re part of a large international group, Recipharm Ltd in Ashton is a mid-sized company with a mid-sized budget for projects like this,” comments McCormack. “Nevertheless, with IBM’s help we have been able to deploy an enterprise-level ERP solution within an extremely aggressive timescale and at an affordable price. A lot of smaller organisations think SAP is too complex, too expensive, too difficult to implement – but this project shows that with the right partner, it needn’t be beyond their reach.”

## For more information

To learn more about IBM Global Business Services, contact your IBM sales representative or visit: [ibm.com/uk/gbs](http://ibm.com/uk/gbs)

To learn more about Recipharm, visit: [www.recipharm.com](http://www.recipharm.com)



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