Establishing & Extending Data Governance

EXECUTIVE SUMMARY

Eli Lilly is the 10th largest pharmaceutical company in the world. Across the globe, Lilly has developed productive alliances and partnerships that advance their capacity to develop innovative medicines at lower costs. Eli Lilly’s global employees number approximately 40,000 and their medicines are marketed in 143 countries. Lilly has major research and development facilities in eight countries and conducts clinical trials in more than 50 countries. As a mature SAP pharmaceuticals installation, challenges with aggressive global growth led to a search for better ways to manage material planning information.

KEY CHALLENGES

• Master data accuracy relied too much on documentation and human knowledge
• Labor intensive change control process dependent on SOPs, emails, faxes, conference calls, excessive paper and multiple entry of critical data
• Quality was dependent on verifications and audits after the data was active in SAP

WHY BACKOFFICE WAS SELECTED

• Only solution that could manage incoming data governance before hitting production system
• Automated workflow for material master data streamlined process
• Application code could be tailored to meet specific business requirements
• It was clear BackOffice Associates (BOA) understood Eli Lilly’s business need

IMPLEMENTATION HIGHLIGHTS

• Paperless change control process dramatically improved efficiency and quality, reduced staffing
• Local data stewards take a greater role in managing global change requests
• Global data stewards own the process
• Eliminated manual change control log – all done in the BackOffice Associates solution

FINANCIAL AND OPERATIONAL BENEFITS

• Decreased global data staffing from six to one full-time equivalents
• 60%+ cycle time improvement for master data completion
• Went from four to six data-related procedure deviations annually to no deviations post-implementation
• Five month implementation

“The data stewardship process had to change. The BackOffice solution provided us the means to initiate efficiency in the material master for global data at Lilly.”

Jim Long

AT A GLANCE

INDUSTRY
Pharmaceuticals

REVENUE
$21.8B (US)

EMPLOYEES
40,300

HEADQUARTERS
Indianapolis, Indiana

WEBSITE
www.lilly.com

BACKOFFICE ASSOCIATES® SOLUTIONS
Data Governance Solution

SAP® MODULES IMPLEMENTED
SAP Pharma, ERP

IMPLEMENTATION PARTNER(S)
None
Key Challenges
Growth Has its Challenges

Eli Lilly began with SAP ERP and Pharma in 2005. Business was good and Lilly grew doubling revenue between 2002 and 2009. While some growth was due to acquisition, much of that was organic as Lilly has continued to succeed with new drugs coming out of clinical trials. More drugs, however, led to migration challenges in the tracking of product and materials at its plants worldwide.

Local data stewards were looking at things from a functional, not a process perspective. Plants were not well-integrated, and while the local plants took care of their own data, they did not have much input into global data standards or stewardship. Changes to global data values required approval from affected plants via faxed signatures and emails—all processed manually by the COE. There were too many manual transactions, and in such a fast-moving, highly regulated environment, that speed of processing just wasn’t good enough.

The process and magnitude of the data integrity problem peaked in early 2007 following Lilly’s SAP global implementation. Material master data was key to supply chain integrity, and its governance process needed to become more sustainable and reliable, with fewer global stewards. Management knew that a solution needed to be found, and quickly implemented.

Why BackOffice Was Selected
On-Time, On-Value

Eli Lilly first encountered BackOffice Associates at SAPPHIRE in 2006. It was clear early on that BOA provided more than just automation—it was a complete solution that would allow Eli Lilly to manage data on the front end of data entry, and re-design its entire data stewardship process. The data quality team saw the potential and arranged to have BackOffice come in and demonstrate their solution. They were impressed by the workflow capability and saw the potential to automate much of the manual processes currently in the material master.

“From our first conversation with BOA it was clear they understood our business need—data governance requires effective collaboration; in our case, global collaboration. The BOA solution has been a remarkable fit”, notes Jim Long, Supply Chain Consultant for Eli Lilly. Reference checks were conducted and the team was impressed by the stories they heard. With only five months until go-live, both Lilly and BOA knew the timeline was tight but it could be achieved.

Implementation Process and Benefits Achieved
Solutions, Methodology & Experts = Success

The project was divided into two phases. Phase 1 implemented the global data governance process (approximately 100 fields in Lilly’s material master are global). Before BOA, each plant would initiate changes through a multi-site approval process which required emails and faxed signatures, resulting in delays and errors. Now changes are submitted directly in the BackOffice solution and then instantly distributed to the affected local data stewards through workflow. Emails, faxed signatures and manual tracking logs are eliminated, the global data dedicated staffing has dropped from six stewards down to one and the cycle time for master data completion is improved by more than 2/3 over the old process.

“Supply chain data governance at Eli Lilly is different because of BackOffice. Throughout our SAP implementation we understand the importance of maintaining reliable master data. BackOffice has enabled us to do it with optimal quality and efficiency. BackOffice is a key part of our supply chain data governance roadmap.”

Jim Long
Phase 2 streamlines the processing of local supply chain master data. The business shares in ownership enabling data stewards to focus more on the process. Local plants choose which standard business roles to involve in the workflow which automates the collaboration necessary to maintain master data effectively. With no more spreadsheets or double-data entry, the new workflow-process results in a minimum efficiency gain of 25% at the local data steward level. “We may be able to improve on those numbers as phase 2 rolls out through summer 2010”, says Long.

Local data stewards are excited about the BackOffice solution because they will be able to maintain local control over all ‘create’ and ‘extend’ scenarios with site-specific default settings. While processing over 4,200 global requests in 2008 in the BackOffice solution, the number of global data stewards has been reduced from six to one, an 85% reduction in staffing and a savings of almost $750,000 annually. “That’s just the hard dollar benefits, not counting the effect on some of the local data stewards and gains in data quality and compliance we will achieve by the end of phase 2”, notes Jim.

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