

## INTERACTIVE SESSION MANAGEMENT

### AbbVie Builds a Global Systems Infrastructure

AbbVie, headquartered in Chicago, Illinois, is a global research-based biopharmaceutical company that was spun off from Abbott Laboratories in January 2013. As a separate entity, AbbVie is still a very large company, with more than 29,000 employees in over 70 countries and 19 research and manufacturing sites across the globe. In 2017, AbbVie produced \$28.2 billion in revenue. Humira for treating rheumatoid arthritis and Crohn's disease is among its top-selling global products.

When AbbVie separated from Abbott Laboratories, the company had inherited 50 or 60 disparate legacy systems that were supporting mission-critical processes in over 100 worldwide locations. The legacy systems were supported by Abbott under a transitional services agreement (TSA) and were due to be terminated at the end of 2015. AbbVie's management had to make a choice: Should the company continue to run these legacy systems on its own or should it invest in a more up-to-date platform for supporting business processes across all of its global affiliates and manufacturing locations?

Complicating the decision were time pressures: AbbVie had only until the end of 2015 (three years) to implement a solution and slightly over two years to establish an infrastructure stipulated by the TSA. AbbVie decided to create standard business processes for all its affiliates and manufacturing facilities and to support these processes with a single instance of SAP ERP across the globe. The project was very ambitious: The new system had to be globally operational in more than 150 countries within 3 years. AbbVie designed a new operating model that included many organizational changes, including business process outsourcing, centers of excellence, and regional shared services.

AbbVie didn't waste any time. It selected IBM Global Business Services consultants to guide the global SAP deployment. Starting in August 2013, AbbVie rolled out SAP ERP to 110 affiliates and manufacturing sites within 18 months. The company standardized end-to-end processes using a global SAP template, and allowed the software to be customized only for country-specific requirements. These requirements were identified in advance by teams creating local implementation guides.

AbbVie business process teams hammered out standard definitions for end-to-end processes such as procure-to-pay, order-to-cash, record-to-report, and warehouse management. AbbVie made the template usable globally by extending the functionality for multiple currencies and languages and updating it on a country-by-country basis depending on local regulations or legal requirements.

Each time an affiliate requested a customization, the AbbVie project team reviewed it against the list of local legal requirements it had collected. AbbVie then determined if the customization was required by other countries or was for only one, and it pushed back on one-of-a-kind requests. Testing and confirming with several affiliates helped ensure that the template met the requirements of most countries, so the need for future customization was minimal.

AbbVie tested the effectiveness of its global template during development, capturing metrics around adoption—number of adoptions, adaptations, additions, and abstentions. The project team compared the percentages of those metrics from country to country and reported the results to AbbVie's business unit leaders. If, for instance, the metrics showed that Germany had adopted 82 percent of the template and France 70 percent, business support could investigate to see if there was a process that needed to be changed in France. This was key to deploying the entire global instance of SAP ERP in 18 months.

The project team was also tasked with migrating data from different legacy applications to the data structure for the global SAP ERP system. For each stand-alone legacy system, the team extracted raw data, stored them in a secure data warehouse, and then identified any missing or inaccurate fields and other data cleansing requirements. While the team was consolidating and cleansing the data, it taught business users about SAP-specific data fields, how the fields were used, and how they changed previous business processes. The team would obtain data from the business, put it in a data mapping template, and load the data in various test environments. Once business users verified the accuracy of data, it would be ready to go live in production.

These activities facilitated change management by placing a high value on both system transparency and training. About six months before rolling out a new location, country-specific transition leaders would train users on the template and familiarize them with any process changes. The transition leaders were liaisons between AbbVie's technology team and its business process team, helping the company to quickly address change management issues as they arose.

AbbVie also took the time during implementation to verify it was in compliance with all local data privacy regulations. In May 2015, the company completed the global rollout of SAP ERP. The company was thus able to successfully standardize global processes and meet the TSA. Other major benefits of the new global system were unprecedented levels of agility and transparency.

AbbVie now has a set of key metrics that are measured at the end of every month, such as the length of time to create new customers, vendor payments, payment terms, or order fulfillments. The global system features dashboards for managers to look at

every country, measure results, find the root cause of problems, and take corrective action more easily. Reporting from the system is more accurate.

AbbVie was able to pull off a major global system implementation because it was far-sighted and well organized and did the difficult work of streamlining processes on a global scale at the project outset. The global SAP project team questioned existing processes and found it could streamline many of them, making the enterprise much more agile. AbbVie's business efficiency also improved because corrective actions often led to additional process improvements. By looking at the metrics, the project team can suggest measures to improve a process to get more out of the company's investment. AbbVie can now operate as a single business across countries.

*Sources:* "AbbVie Builds a Global Pharmaceuticals Company on New Foundations with SAP and IBM," <https://www-01.ibm.com>, accessed January 6, 2018; Ken Murphy, "Biopharmaceutical Startup AbbVie Receives Healthy Long-Term Prognosis," *SAP Insider Profiles*, September 19, 2017; and [www.abbvie.com](http://www.abbvie.com), accessed January 6, 2018.