ASM™ FOR PHARMA

TRANSFORMING TO MANAGED SERVICES WITH ALT ASM

LARGEST PHARMACEUTICAL COMPANY

CASE STUDY

APPLICATION MANAGED SERVICES

Background

Client is an American **Pharmaceutical company** and is one of the largest in the world by market capitalization and revenue. **Discovers, develops, manufactures and markets** a broad range of innovative products to improve human and animal health, directly and through its joint ventures

About the Relationship

HCL has been the preferred strategic partner for over **9+ years now. 1700+** HCLites are engaged in services which include **Application Development, Support & Maintenance, Technical Services and Shared services**. By outsourcing operations to HCL, Client has streamlined operational efficiencies and consolidated its IT portfolio

Voice of customer (Prior to moving to Managed Services)

- "I have over 700 plus POs, 100 different SLAs, several reports, but still I don't know whether SLAs have been met and am worried about critical Services going down"

- "I would like a single reporting console which provides all support SLAs in one place, end-to-end – Single version of the Truth…"

- "My biggest worry is managing Risk and ensuring there is no service disruption!!"

- "We have different divisions following different processes"

- "Leverage Technology Innovation towards creating <Customer> of the future"

- "I want my Suppliers to take larger ownership and enable us to make this transformation happen"

- "Different Task Orders are written in different languages with differing SLAs for providing the same set of services"

Objective

Customer was seeking a partner to deliver a step function change in service performance and underlying delivery model.

Application support | Managed Services | Drive Efficiencies | Process Adoption | Drive Innovation | Risk Management

Scope

Divisions: Research, Manufacturing, Sales & Marketing and Corporate IT functions

Geographies: USA, EMEA, APAC, LATAM & CANADA

Transition

ASSeT™, HCL's patented transition framework was deployed. Transition to Managed Services was done in two phases with multiple waves in each. Transition approach was based on the following principles:

• Minimum Business Disruption

• Risk Mitigated Transition

• Automated Transition

• Collaborative Transition Governance

• Knowledge Retention

	USA	ROW[†]
# of Applications	1072	649
# of Transition waves	4	4

† - Rest of World

Successful wave-based Transition (across US, Canada, EMEA, APAC & LATAM) with Zero business disruption, On time and within Budget - despite scale, complexities, a multi-vendor scenario.

Fast Facts – Transition Impact

92% AQI rating achieved

5+ TCSAT index achieved
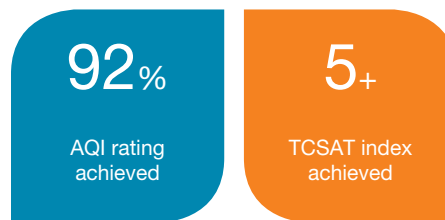
Customer did not use **PRIZM** as they had implemented tools for automated APO. HCL has provided expertise in terms of resources in implementing these tools.

Integrated Service Management

Integrated Service Management (iSM) implemented to deliver Managed Services, driving cost reduction initiatives to achieve committed and contractual productivity gains, overall quality of services.

24x7 Triage team for Case Response, Routing and SLA compliance tracking for all divisions across geographies implemented.

L1.5 team for SOP/KEDB based support, Request Fulfillment, Monitoring scheduled jobs.

Benefits of iSM include:

• Optimized resource utilization

• Improved Service Levels

• Shift to Service based culture

- Enhanced customer satisfaction
- Improved IT staff motivation
- Increased focus on Value creation

Fast Facts – Triage TEAM

>99.5%	100%	100+	40-60%
System availability achieved	Response SLA Compliance achieved	Tickets handled per person per month	Tickets handled by L1.5 team

Lean ASM

Demand vs. Capacity Analysis by studying the Case volumes and Effort, Time and Motion Study to identify **NVA, ENVA and VAA** activities. Shift planning based in JIT models accomplished.

Case activities that can be Simplified, Eliminated, Combined, Automated and Re-located identified.

Process Harmonization & Adoption – Policies and Procedures for all Operational process (Incident Mgmt., Request fulfillment, Problem Mgmt., Event Mgmt. etc.) and other processes defined and published. Adoption of same process in all divisions and across geographies.

Global Delivery Model with integrated **Triage/L1.5**; Functional and Regionally aligned **L2** team; Technology aligned **L3** team; supported by a dedicated **Service Management Office (SMO)** to drive process compliance, metrics and reporting, continuous improvement, financial management and new service on-boarding. **Service Maturity Index** focus ensured predictable and quality delivery of services.

Tools and Automation: Areas of Human intervention identified. Automation done at tower level and components reused where possible.

Automated **Daily Case Reports (DCR) and LIVE DASHBOARD** enabled. Application specific **SRM modules** developed (to improve case related inputs and user experience).

Business Process Maps developed for 'what If' analysis and to build Subject Matter Expertise.

Improving the Skill Index of team and Up-skilling was achieved by the support of the <Client> **Academy**. Cross-skilling was done to improve fungibility.

Fast Facts – ASM Metrics

95+%	98+%	15+%	100%
Resolution SLA compliance	KEDB Compliance	Incident Reduction by effective Problem Management	Mandatory Trainings Compliance

Metrics & Reporting

Primary objective of building this MS&O Metrics dashboard is to enable successful delivery of services. Irrespective of the role played by the team (Triage, Track lead, SME, Support member, Process Lead, Manager etc.) there is a takeaway from each of the screens.

The **MS&O dashboard** is displayed in several division-specific LCD TVs placed in strategic locations within HCL's offshore ODCs as well at the client centers.

Following are the different metrics and key performance measure that are displayed on the dashboard:

- **Live update:** Instant display of a Case that is created and assigned to HCL SM team. 6 most recent cases are displayed at a time on the screen. Status of Case response is also displayed

- **Daily Health Check:** Indicates the Health of all applications by Service group being supported. In case of any service disruption, the details are picked up from team space and displayed on the Dashboard

- **Daily Case Report:** List of all open cases (Aging and Backlog) are displayed sorted by priority

- **Overall SLA Compliance:** Overall Response and Resolution SLA compliance levels for Incidents & Service Request are displayed as against the contractual SLA targets (as MTD)

- **Incidents SLA compliance:** Incidents (by service and by priority)

- **Requests SLA compliance:** Requests (by priority, business track)

- **Problem Management:** Status of Problem records as YTD is displayed (including Draft, Under review, Assigned, Under Investigation, Pending, Completed, Closed, Cancelled)

- **Release Calendar:** Planned and Completed releases for the current month are displayed

- **Summary Screen:** Contains all the above info in a single screen layout to enable instant and constant communication from the CxO level to an application SME

Fast Facts – Live Dashboard

100%
Availability and Real-time information

HIGH
Trust and Transparency with Client

Business Process Maps

Knowledge gained during current engagement enabled HCL team to document **Business process and system interface flow diagrams** that are used by teams today, these diagrams enable team members to asses up & down-stream impacts when systems or processes change ("What If" analysis).

The business impact manifests in increased IT visibility and availability leading to better planning, reduced redundancy, enhanced process and cost efficiency and superior Business–IT alignment.

Fast Facts – BPM

1600+%
100% Applications and Interfaces mapped
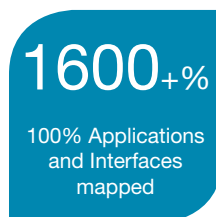
Value Creation

Value Creation ideas generated by the team FY2012-13 under the categories:

- Cost Optimization
- Cycle Time Reduction
- Process Improvement
- Tool Development
- Technical Solutions

Y-o-Y productivity gains provided by value creation implemented with Client approval and effective utilization of resources.
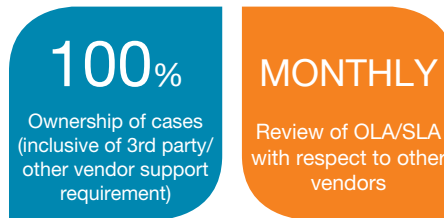
>**7**%

% Value Creation
of Revenue

145+

Value
Creation Ideas
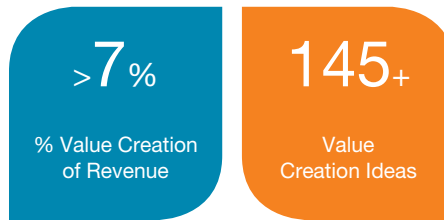
Multi-vendor Environment

Multi-Vendor governance process defined and framework implemented. KPIs (OLA/ UPC) are measured and tracked. Collaboration with all vendors to define Process after gap analysis. Harmonization and adoption across all division and geographies by process transition and publishing a Policy & Procedures Manual (PPM) achieved.

Fast Facts – VC%

100%

Ownership of cases
(inclusive of 3rd party/ other vendor support requirement)

MONTHLY

Review of OLA/SLA with respect to other vendors

Critical Success Factors and Key Performance Indicators

Critical Success Factors (on AMS performance) measured and published on monthly basis include:

- Response to Incidents within Published Timeframe
- Restoration of Sev1 & Sev2 Incidents within Published timeframe for App Crit 3
- Restoration of Sev1 & Sev2 Incidents within Published timeframe for App Crit 2
- Restoration of Sev1 & Sev2 Incidents within Published timeframe for App Crit 1
- Critical Batch Workstreams Completed On-Time
- Critical External Interfaces Completed On-Time
- Discretionary Service Requests Completed On-Time
- Non-Discretionary Service Requests of Sev1 & Sev2 Completed On-Time
- Application Availability during Bus Hrs - App Crit 3
- Application Availability during Bus Hrs - App Crit 2
- Application Availability during Bus Hrs - App Crit 1

Key Performance Indicators (on AMS performance)

- Restoration of Sev3 & Sev4 Incidents within Published timeframe for App Crit 3
- Restoration of Sev3 & Sev4 Incidents within Published timeframe for App Crit 2
- Restoration of Sev3 & Sev4 Incidents within Published timeframe for App Crit 1
- Reduction of Incidents
- Percent of Production Changes with Correct Documentation
- Root Cause Analyses Completed On-Time
- Restored Incidents & Service Requests not requiring a revisit
- Rough Order Magnitude estimate Completed On-Time
- Application Availability non Bus Hrs - App Crit 3
- Application Availability non Bus Hrs - App Crit 2
- Application Availability non Bus Hrs - App Crit 1

97₊%

Achievement on CSF
and KPIs. 100% on
expected targets
met (Exceeding
expectations)

Self-Healing Solutions

Elementary self-healing solutions implemented across all towers.

Applications with High volume of alerts and alarms identified. Self-healing approach was taken up in the Application server and databases.

Incorporated auto-extension of the data files/table spaces after performance tuning.

Fast Facts – SELF Heal Inc. Reduction

5₊%

Incidents detected
and corrected
(Reduction of
incidents)

IT Benefits & TCO Reduction

Transformation to Application Managed Services (AMS) using ALT ASM has resulted in both Qualitative and Quantitative benefits.

Qualitative Benefits include:

- Predictable outcome at a predictable cost
- Enhanced image of HCL as a strategic partner for Client
- Shift from a technology to service-based culture
- Complete ownership, faster turn-around time, enhanced customer satisfaction
- Process-based Roles and Responsibilities defined
- IT aligned with the business needs

Quantitative benefits include:

Multi-year AMS contract signed with Client with Y-o-Y productivity benefits and people projection matrix (PPM) based on ALT ASM levers.

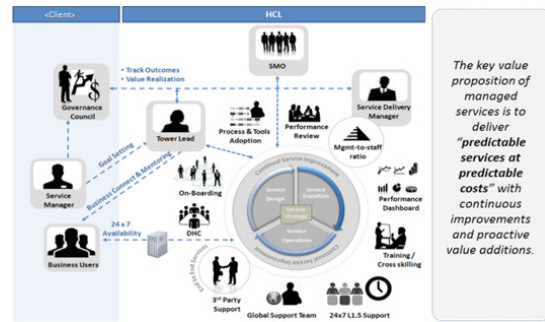**Fast Facts – TCO REDUCTION**

27%

TCO Reduction

Research & Development

364

Applications

Business Tracks

- Discovery
- Preclinical Sciences
- Safety
- Clinical
- Regulatory
- Licensing & PPM

The key value proposition of managed services is to deliver "predictable services at predictable costs" with continuous improvements and proactive value additions.

Skills/ Technologies

LIMS, Argus, Liquent, IReview, JReview, Oracle, PL/SQL, Java/J2EE,.Net, SharePoint

Manufacturing

367	70+
Applications	Manufacturing sites

Business Tracks

- Quality & Regulatory
- Global Safety & Environment
- Lab Operations
- Distribution & Logistics
- Global Engineering Services
- Manufacturing Intelligence
- Manufacturing Execution Systems
- Supply Chain Management Systems &
- Site Support Systems

Technologies

AS400, JDE, Java/J2EE,.Net, SQL, PL/SQL, C, C++, Visual Basic, COBOL, VMS/VAX, MAXIMO, EMPOWER, Track Wise, Crystal Reports, CyberLAB, SAP.

Sales & Marketing

428
Applications

Business Tracks

- Customer Engagement
- Contract Management
- Information Management
- Reporting and Analytics
- Sales and Marketing Operations
- Enterprise Resource Planning
- Multi-Channel Marketing
- Customer Relationship Management

Technologies

Java, Cognos, PLSQL, J2EE, Informatica, Siperian, PowerBuilder, Trillium, Pro-C, .Net, VB, Business Objects, eSSBase

Corporate Administration Services

248

Applications

- Human Resource Management
- Finance
- Learning Management
- Global Services
- Cross Divisional
- Legal

Skills/ Technologies

PeopleSoft, Ariba, JD Edwards, AS400, Java, Microsoft VB,.Net

Benefits – SNAPSHOT

- End-to-end ownership with predictable and quality service delivery
- Delivery Risks and responsibility completely owned by HCL
- Improved Service Levels & system availability
- Optimized resource utilization – Release of SMEs/critical personnel for strategic focus
- Robust Event Management, Knowledge management & Problem Management process
- Increased focus on Value creation & Innovation
- Process & Tools standardization across all geographies
- Effective Demand Management
- Training & On-boarding using TOS

The services that are being provided by HCL have been on the lines of scalability, flexibility & effectiveness, with clear understanding of Customer's business and application landscape.

For any additional information contact:
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HCL