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Room to grow
Astellas Pharma US upgrades its SAP® system to support growth and standardization on a global platform

Abstract

In 2011, Astellas Pharma US recognized the need to upgrade its aging SAP ERP system to accommodate expansion, add advanced new functionality for business users, and support other activities. IT leaders had outdated controls and increasingly outsourced maintenance. After the company's other regions implemented major system upgrades, the Americas region decided it would establish a common and standardized SAP environment in 2012 to support growth and become globally aligned. With Deloitte's assistance, Astellas pursued a collaborative approach to deliver a smooth, on-time launch with minimal issues.

The tipping point

In the five years after the Americas region of drugmaker Astellas Pharma implemented a new SAP ERP system, the company's IT leaders spent most of their time adding new functionality or integrating newly acquired companies. It never seemed like the right time to standardize on a global platform. But by 2011, the aging systems were limiting the division's ability to grow. IT leaders had to pay for extended maintenance of the relational database and had problems integrating some SAP solutions.

The company's HR system was so overloaded during open enrollment periods for employee benefits that the periods had to be staggered, creating confusion for employees. When updated functionality was needed, the level of customization required created a ripple effect of unnecessary work. Plus, the IT platform was unable to support innovative new applications, such as advanced analytics.

While the Americas region was encountering these challenges, the company's Japanese and European regions took steps to upgrade their SAP systems. The older system employed in the Americas not only limited the company's long-term globalization plan but also presented certain concerns for the company's entire IT landscape. In 2012, company leaders decided it was time for a system upgrade. They chose Deloitte to help with the integration based on the firm's experience with maintaining SAP environments, upgrading operating systems, and working with non-SAP databases, plus its strong project management capabilities.

Laying the foundation

Astellas needed a complete IT infrastructure upgrade—from databases and servers to the operating system and core SAP system. To gain approval for their plan, IT leaders explained to their business counterparts that in order to add the new solutions and functionality they required, in areas like business analytics, such an upgrade was needed. They also persuaded business leaders to keep the technical upgrade separate from the functional upgrade, because combining them might create delays.

With Deloitte's assistance, Astellas first selected the hardware that would meet current and future needs. During this early phase, Deloitte's on-site and off-site teams used proprietary tools to assess how the upgrade would impact Astellas' current SAP environment and to provide a blueprint for the complex project. As a result, they were able to determine which versions they needed for an effective upgrade.

Deloitte used its upgrade methodology and accelerators for the ECC Central Component and database upgrades, as well as the operating system migration. The project team conducted mock upgrades with a copy of the production SAP data to determine where problems could crop up. Deloitte created a playbook to guide the upgrade and migration, leading to a smoother, on-time cutover and go-live launch. That helped instill confidence among the Astellas team regarding the overall timeline and go-live launch.

Early on, Astellas and Deloitte established quality assurance processes. Through workshops with Astellas business users, Deloitte provided information on how the upgrade could impact and benefit them. This also helped Astellas more tightly focus testing, remediation activities, and training activities.

Additionally, Deloitte established a program management process and framework to help meet the aggressive milestones and deadlines. Along the way, Deloitte team members worked collaboratively with Astellas, taking the time to learn the company's culture and processes.

The results

In August 2012, Astellas went live as scheduled with the technical upgrade. As a result, the company experienced a significant improvement in performance—for example, it was able to support open enrollment without any reported problems. It also implemented several enhancements, such as SAP solutions for governance, risk, and compliance (GRC) 10.0 that replaced a manual process with one that was automated. Among a host of benefits, this approach made it easier to track security and access requests. Additionally, through enhancements to the SAP Solution Manager, the company's IT organization could better manage changes in its maintenance cycles with the added ability to approve only authorized development work before it's started.

With the upgrade, Astellas gained several major benefits, including:
- Lower system security risks and maintenance costs
- Stable hardware and software environment to position the company for growth
- Current versions of SAP applications to allow for new capabilities, such as SAP HANA™ and SAP solutions for analytics
- Better system testing capabilities for faster and better implementations

Additionally, IT leaders indicated that business users did not relate any problems with the launch or system performance. "Because this go-live was so smooth, I don't think people understand the magnitude of what was pulled off in such a short amount of time," said Kevin O'Toole, CIO and vice president of IT at Astellas Pharma US. "That's a real compliment to the Astellas team and to the Deloitte team."

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