Indivior Becomes Independent
Specialty Pharmaceutical Company
Demerges from Parent and Sets Up
One Global SAP Instance

by Lauren Bonneau, Managing Editor

A
pecialty pharmaceutical company Indivior PLC (Indivior), which manufactures products for the treatment of opioid dependence, has a large patient base to reach. With 20 years of experience, the global business sells products in over 40 countries. While the main geographic market share comes from product sales in the US, which accounts for about 80% of the company’s revenue, the business is operating and expanding globally in many markets.

Indivior was listed on the London Stock Exchange as a standalone, independent company in December 2014, following its separation from Reckitt Benckiser Group plc (RB Group) by way of a demerger. To ensure a smooth transition, Indivior maintained transition service agreements for certain shared services. The deadline for the newly formed company to separate itself completely from the parent company’s IT landscape and operate independently was the close of 2016.

“Once we demerged, we needed to continue to operate our global business while also ensuring ongoing supply to a large number of countries,” says Ingo Elfering, the CIO at Indivior. “We saw establishing our own ERP platform as a cornerstone event in the demerger for us.”

Creating an Independent Infrastructure
Indivior did not have an IT group or systems infrastructure of its own and was completely dependent on shared services from multiple parts of the parent at the time of the demerger. Burdened by a fast-approaching temporary service agreement (TSA) deadline, Indivior was tasked with the enormous feat of setting up a platform to operate and function as an individual business. The business had to demerge all of its validation documentation, document management, HR, email, help desk, global network telephone, desktop management, and back-end systems. Separating from these
systems meant migrating off of seven different instances of a non-SAP ERP system and six other third-party systems for invoice management, finance management and consolidation, data warehousing, and demand planning.

“Very early on, we decided to utilize the fact that coming off of legacy systems would allow us to implement a modern and scalable infrastructure,” says Elfering, who came on board two months before the 2014 demerger. “We took a cloud-first approach across the majority of our infrastructure.”

As Indivior planned for the systems and process changes, it kept its guiding principles top of mind (see the diagram below). When selecting an ERP platform, the business chose SAP Business Suite running on SAP HANA due to its reputation in the pharmaceutical space as well as its capabilities around compliance and validation. “We chose the SAP HANA platform as our starting foundation for the future because the intention of our company is to grow, and we wanted a modern platform that enables us to grow the business moving forward in-line with our long-term strategy,” says Elfering.

Indivior implemented a single global template for manufacturing, the supply chain, and finance — all managed simultaneously with help from Deloitte, the primary implementation partner. (For more information about Deloitte, refer to the sidebar at the end of the article.)

In terms of technology deployed for data analytics, financial planning, and group consolidation, Indivior leveraged SAP Business Warehouse running on SAP HANA, SAP HANA Live, SAP Business-Objects Planning and Consolidation running on SAP HANA, and SAP Integrated Business Planning, which is optimized for SAP HANA. It also selected

Focus on patient needs to drive decisions.

Seek the wisdom of the team.

Believe that people’s actions are well-intended.

Care enough to coach.

See it, own it, make it happen.

Demonstrate honesty and integrity at all times.
SAP HANA to migrate data from the RB Group systems to finance and supply chain partners for post-demerger archiving purposes.

“The goal was to implement a highly scalable and agile system that would support company strategy,” says Kulbir Thind, ERP Program Director at Indivior, who joined the business in May 2015, a few months after the project began.

Indivior also deployed SAP BusinessObjects solutions as its front-end presentation tools, SAP Process Orchestration to allow the business to integrate its systems with third-party solutions, SAP Solution Manager to manage the system landscape, SAP Workforce Performance Builder to optimize training, and SAP Fiori, running on SAP NetWeaver, to extend application mobility. Two mobile apps — one for tracking purchase orders in the SAP system and the other for purchase order approval — went live at the same time. As part of the SAP project, Indivior also opted to implement two solutions provided by Concur (Concur Travel & Expense and Concur Invoice) to enforce global corporate travel and expense policies and standardize invoicing processes.

From a manufacturing perspective, Indivior took over operation facilities located in England in April 2015. Indivior had to migrate all manufacturing data, capacity planning, procurement, and manufacturing processes onto the new SAP instance as well.

**2 Waves Across All Countries in 18 Months**

The implementation — which involved moving operations in 11 different countries onto SAP ERP for all manufacturing, supply chain, logistics, procurement, invoicing, financials, and other back-end processes — was managed as two waves in an overlapping fashion. The first SAP wave was performed while the second

**At a Glance**

**Goal:** Operate as an individual company and eliminate dependence on parent company and its shared services within two years; establish a scalable IT platform to enable growth; provide standardized, automated processes for finance, consolidation, reporting, planning, and supply chain management; and deliver business as usual with no disruption

**Strategy:** Stood up a global IT systems infrastructure — including SAP S/4HANA Finance, SAP Business Suite powered by SAP HANA, and other SAP solutions — and moved to one global instance in the cloud within 18 months

**Outcome:** Deployed on time and within budget; experienced no impact to the patient supply; established 90% out-of-the-box SAP standard processes; consolidated and aligned data into one system with uniform definitions; and deployed mobile apps to track and approve purchase orders

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SAP wave was under development. The second wave was divided into two tiers. The first tier involved setting up outsourced operations for the finance, accounts payable, payroll, travel and expense, and HR operations for 14 additional countries.

The project started with a kickoff meeting toward the end of January 2015. Indivior completed the first wave 12 months later, going live in three of its markets covering the majority of sales — the US, the UK, and Canada — on January 1, 2016. This wave also included go-lives of SAP Fiori, SAP Process Orchestration, SAP Solution Manager, and SAP Workforce Performance Builder. "The first wave took about 90% of the business processes in one go-live," says Elfering.

After a three-month period of stabilizing the platform, in April 2016, Indivior moved 14 smaller-market countries into an outsourced back-office model and implemented an interface between the outsourcing partner and the SAP system as the first-tier rollout of the second wave. To complete the second wave, Indivior went live in June 2016 with another eight larger-market countries, which covered the remaining markets of Australia and several EMEA countries. This wave also included go-lives of SAP BusinessObjects Planning and Consolidation and SAP Integrated Business Planning. The implementation was completed five months before the full TSA deadline.

The project involved more than 100 people across the business, IT, and various partners and suppliers at its peak and spanned across multiple geographies — including corporate offices in Slough, England, US corporate headquarters in Richmond, Virginia, and an offshore presence.

"In terms of structure, we had a project management office leading the charge and reporting on the delivery, and that constituted all Deloitte, Indivior, and other systems integrator resources," says Thind. "Then we had functional and technical teams spread across different geographies partnering up to support the business — from supply chain and finance aspects to the real technical stuff around Basis or ABAP coding — and these people collaborated great together and worked in structured ways, which allowed us to get things done around the clock and ensure we stayed on track."

**Teaming Up with the Business**

"Moving to one global instance was not just a change in the system processes, but also in the business processes for the personnel who stepped into those newly formed roles," says Wendy Everingham, Finance Director of Global SAP, R&D, and IT, Indivior.

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Director at Indivior, who was the supply chain lead for the project and had been with RB Group for the previous 12 years.

Indivior empowered the team leads — Everingham and Cross — to drive the design for the organization, giving them the responsibility of making tough decisions that were best for the newly independent company. During the blueprinting phase, a total of 86 in-person and teleconference workshops were conducted in the US and the UK over a 12-week period to design the future-state operating model.

In the supply chain area, some employees had been using the legacy systems for the past 15 years. “It was a big change, but we got very good engagement from the business users,” says Cross. “Everyone is excited about the journey we’re taking and they want to learn more and engage more with the business.”

Of course, because there is always more to learn, training and education are ongoing activities. “We now need to continue the business change management and the SAP training of staff and users to fully utilize what we now have in place,” Elfering says. “Our focus now turns to gaining more value from the ERP system.”

Positive Results

IT heavily involved itself in challenging and encouraging the project team to adhere to standards and best practices — and not implement custom solutions that bring unnecessary complexity. By leveraging Deloitte’s pre-configured templates, the business was able to use 90% of the SAP design out of the box. Thanks to this strategy, Indivior was able to complete the project within time and budget. “In addition to the SAP implementation, we ultimately stood up a whole IT department — within 18 months around the globe — as we also rolled out a new email system, implemented new PC management, stood up several line-of-business applications, and set up global infrastructure like phones, video teleconferencing networks, a help desk, local support, and so forth,” says Elfering.

The business is already realizing the benefits of moving to the new automated system. “Having one global instance, an automated set of processes, and a good set of controls built into the SAP system, we are already seeing the benefits of the new platform,” Elfering says. “We will continue to focus on the growth of the company while optimizing our business processes along the way.”

Indivior PLC

Industry: Specialty pharmaceuticals

Global headquarters: Richmond, Virginia

Company details:
• Products sold in 40+ countries
• www.indivior.com (LSE: INDV)

SAP solutions: SAP Business Suite, SAP S/4HANA Finance, SAP Business Warehouse, SAP BusinessObjects Planning and Consolidation, SAP Integrated Business Planning, all running on SAP HANA; and SAP BusinessObjects solutions, SAP Process Orchestration, SAP Solution Manager, SAP Workforce Performance Builder, SAP Fiori running on SAP NetWeaver, Concur Travel & Expense, and Concur Invoice
A Smooth Launch: Deloitte Helps Guide SAP Implementation

Organizations looking to take on SAP projects that involve technology, innovation, and process improvements require people who are prepared and focused on the future. With more than 16,000 business and technology professionals specializing in SAP software across the globe, Deloitte understands the connection between people and delivering results that matter. Its alliance with SAP extends back nearly three decades, giving Deloitte a solid track record of helping companies succeed through critical transformations — preparing them to meet tomorrow’s business needs and positioning them to thrive in the evolving digital economy.

With a lengthy history of implementations delivered on time and on budget, Deloitte supports projects that span finance, human resources, SAP HANA, analytics, strategy, cloud, mobility, and more. In addition to its global network and tested tools for jump-starting SAP implementations, Deloitte provides a deep understanding of industry-specific needs, business models, and today’s complex business challenges.

Clients who have worked with Deloitte point to an ease of collaboration, with Deloitte professionals functioning like an extension of the client’s own team. The Deloitte global support model enables around-the-clock development, testing, and functional implementation processes for clients. And with Deloitte’s SAP-based preconfigured accelerators and solutions, clients can address their challenges faster than ever before.

An extensive SAP-centric project helped Indivior launch operations with a systems landscape that was unified and responsive — both in terms of IT and business processes. Getting there required help, and Indivior selected Deloitte based on its unique capabilities and qualifications. By leading this implementation and providing industry-relevant tools — such as accelerators for jump-starting and managing the complex project — Deloitte helped Indivior launch more smoothly than expected, with no significant business disruption.

For more info, visit www.deloitte.com/SAP.

According to Thind, there has been no significant business disruption in terms of impacting the overall journey. “Projects are always a difficult endeavor, but this has been smoother than most implementations,” he says.

With one global SAP instance, all the company’s data is now aligned and readily accessible for extraction and reporting in a single system. “With the new SAP HANA-based tools, we can extract and analyze data and then have ways to view, manipulate, and report on the information for key decision makers,” says Elfering.

Another business improvement from the SAP project is how mobile users can now benefit from the capabilities introduced with SAP Fiori. “We decided to roll out some mobile functionality to help with user adoption because mobile access would make that significantly easier for the end-user base,” says Elfering.

Of course, the most important part of this SAP implementation is making sure the business is continuous. “Our aim in the business is to serve the needs of patients, and we are happy to report we had no impact to the medication supply as a result of such a fast-paced SAP project,” says Cross.

What the organization has now is an enterprise-wide, scalable platform that supports the business strategy in terms of operations, finance, and mobility. “Our global platform will allow us to leverage the strength of SAP software to drive continuous improvements and help achieve the global strategy of growing and developing in key areas,” says Cross.

A Platform to Build on

It is now time to explore opportunities to maximize Indivior’s SAP platform and take better advantage of the speed it provides. “We got off our legacy systems within 18 months, and now is the time to step back and see what else we can do and how we can leverage the SAP platform further to our benefit,” says Everingham. “We want to explore our reporting capabilities to the fullest extent, and now we have the systems to do that.”

Long-term strategic planning, which will involve improvements based on the project team’s learnings, is well under way, according to Elfering. “We want to achieve and maintain a level where our platform can leverage business growth coming from our pipeline, country expansion plans, existing businesses, and potentially some other merger and acquisition activity,” he says. “We need to be able to absorb all of these business changes into our platform and to run that environment going forward — and with this platform, we can achieve that.”