



**Need for speed and cGMP –
The Archimica SAP Chemicals
Template Experience**

May 2008



Agenda

Introduction

Business Overview and Drivers for change

Archimica template and IT solution

Project - Implementation of SAP Best Practices for Chemicals

Achievements

Agenda

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Business overview and drivers for change

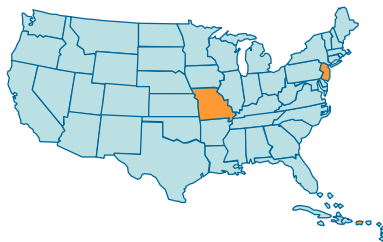
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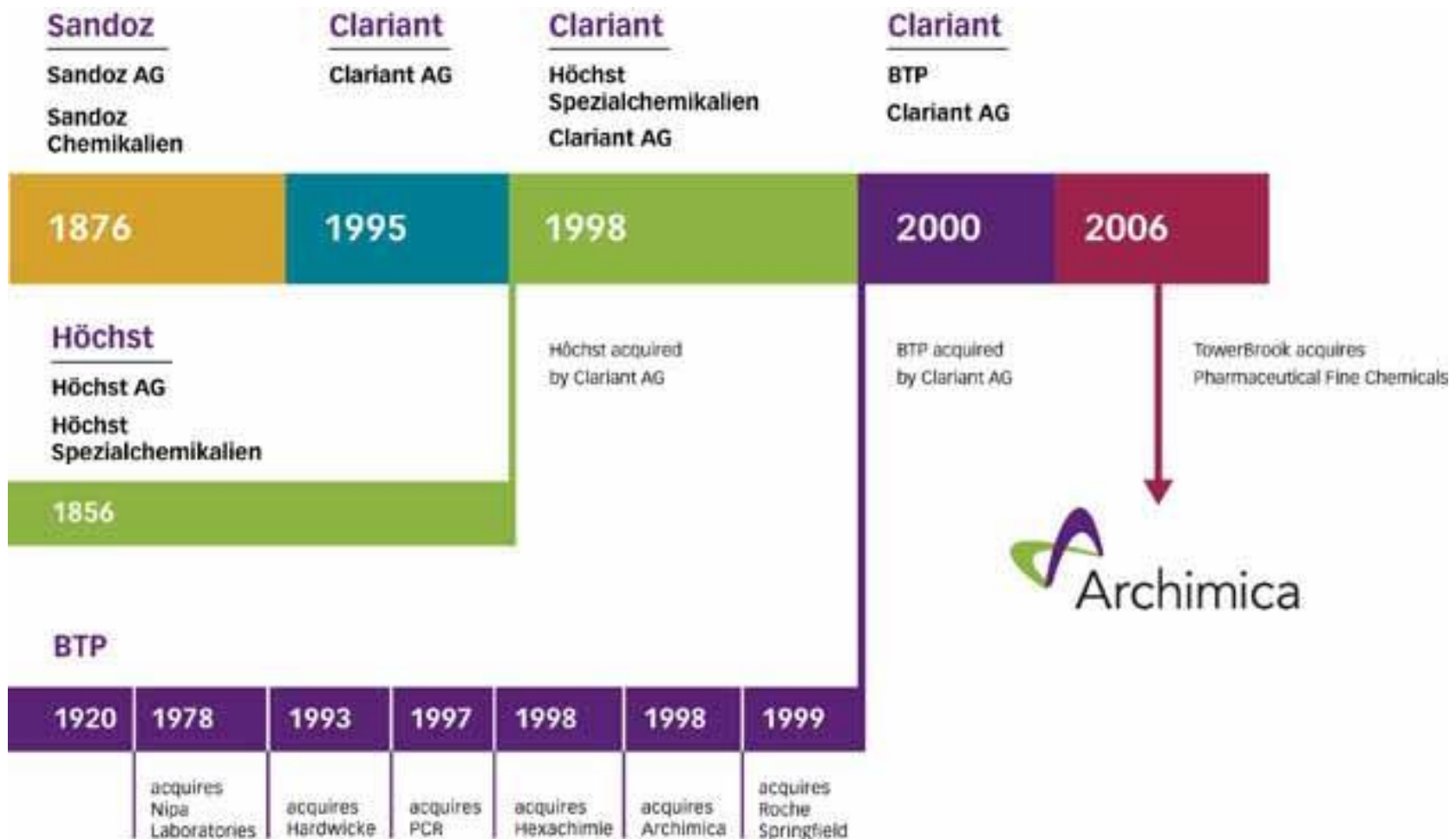
Achievements

Business Overview

- Pharmaceutical fine chemical company focused on custom synthesis of high-tech building blocks, intermediates and APIs
- Compliance with current Good Manufacturing Practices (cGMP)
- Formerly “Clariant Fine Chemicals”, acquired by Towerbrook in June 2006
- Global customers = Global pharma companies
- Located in 5 Countries (Italy, France, US, Germany & UK) 7 Sites
- 600 employees; around 350 SAP users



History



Strong. Steady. Focused on Pharmaceuticals.

Drivers for change

- Private equity owned
- Complete carve-out from parent
 - Some shared service functions (finance, HR, IT, legal)
 - Complete IT infrastructure (SAP, hardware, networks etc)
 - Very tight time frame
- Disparate business processes
- Weak global MIS

Agenda

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ERP & vendor selection process

Requirements

- Global solution
- Support our core business processes
- Cost efficient
- Stability of software solution & vendor
- Appropriate for mid tier
- Tested & accepted in chemicals & pharma industry
- Support given time frame
- Scalable, flexible to support various M&A options
- Supportive of GMP requirements

Options

- Microsoft Axapta or SAP
- Cap Gemini or Accenture

Decision

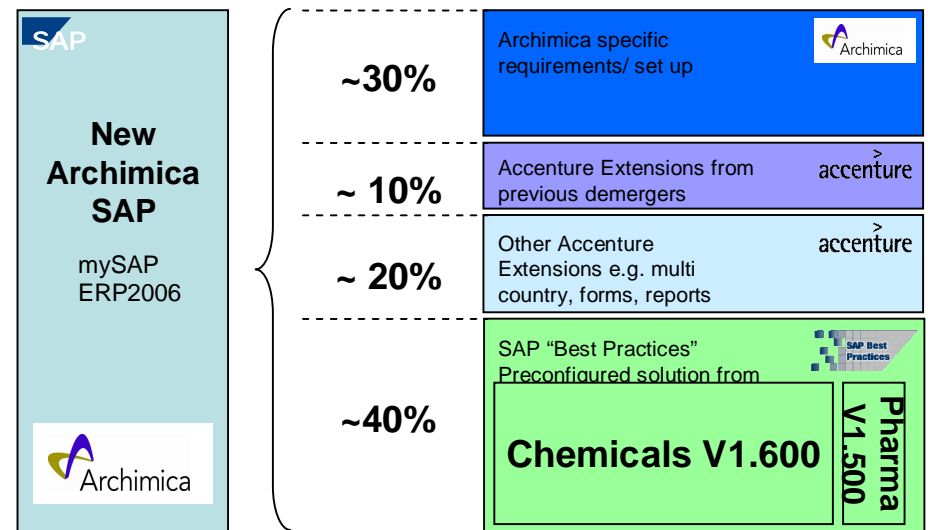
- SAP chemicals template
- Accenture Germany

Why?

How?

The Solution

- Chemicals Template + Extensions + Archimica set-up
 - SAP ERP 6.0 with Unicode
- 4 x country codes, local variations & languages (English, French, German & Italian)
- USD and Euro
- Basic BI System
- Separate consolidation system (currently excel)
- Separate EHS solution



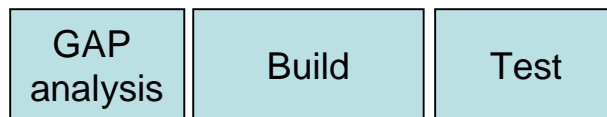
Template vs Customisation

Traditional Customisation project



- Detailed assessment of existing processes upfront
- Design and system build from scratch

Template based project



- Utilization of a preconfigured SAP system with chemical processes that have been build by SAP and multiple consultancies based on 20 years SAP experience in chemicals
- Adherence to the template processes whenever possible
- Identification of GAPs between template functionality and business requirements
- Resolution of GAPs during build phase
- Utilization of existing template documentation and tools during implementation



50-60%
less effort
and duration
to build
kernel

Covered processes and SAP functionality

Processes in scope

- OTC – Order to Cash
- PRC – Procurement
- INV – Inventory Management MAN – Manufacturing
- QAM – Quality Management
- FIR – Finance and reporting
- ALM – Asset life cycle management
- EHS – Environment, Health & Safety

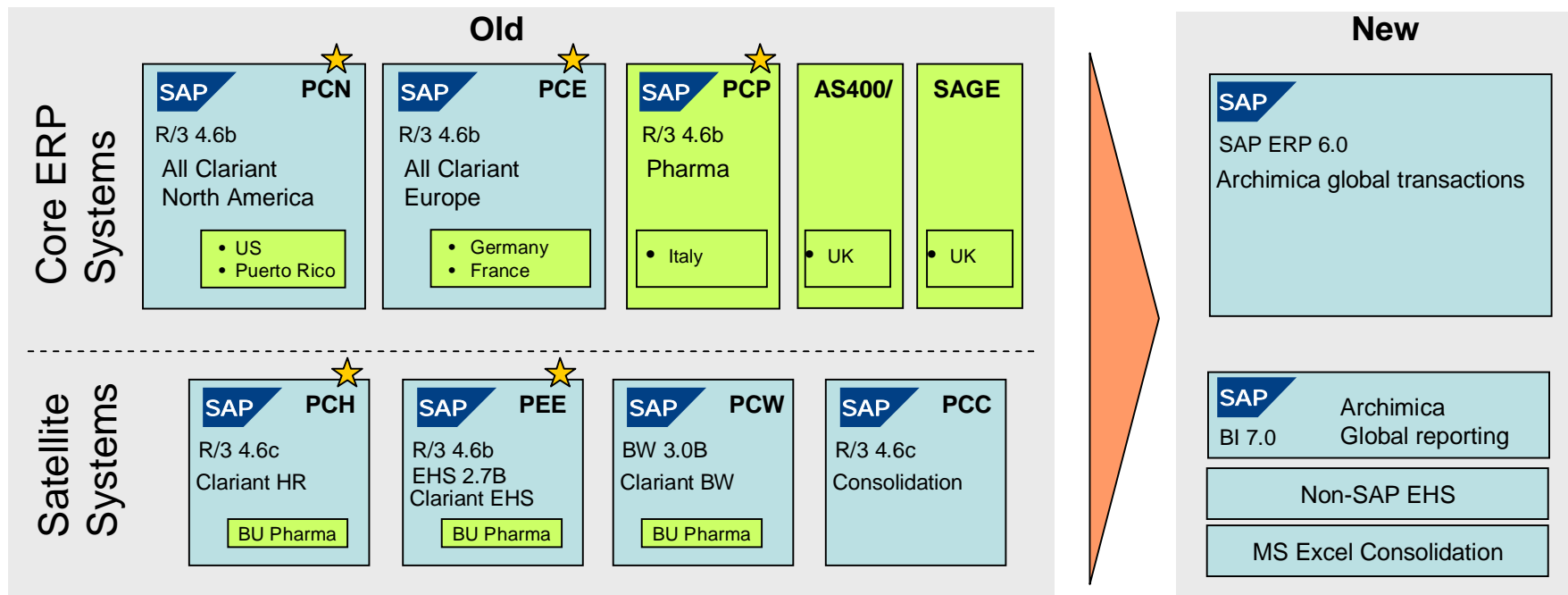
Main processes out of scope for SAP:

- HR – Human Resources
- Treasury
- EHS – Environment; Health &
- Safety

Implemented SAP modules

- SD - Sales and Distribution (incl. Logistics and Dangerous Goods Handling)
- MM - Procurement
- WM - Warehousing
- PP-PI - Production
- QM - Quality Management
- FI - Finance
- CO - Controlling
- PM (basic) - Plant Maintenance
- PS (basic) - Project System
- BI - Business Warehouse



New SAP system architecture



- 5 different transactional systems, 3 of them based on outdated SAP releases
- Multiple complex satellite systems

- One global state of the art SAP with harmonized processes
- Simplified satellite systems

★ SAP R/3 4.6b – extended SAP maintenance closes end of 2006

Strong.  Clariant cross-divisional system
 Clariant Pharma dedicated system

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Archimica needs and IT project goals

- **Process Improvements**

IT project must support company wide process improvements: simpler, more appropriate processes

- **Better management information**

One global consolidated system will deliver more transparent and meaningful management information to adjust our business

- **Reduced IT costs**

A simplified IT architecture and landscape should reduce our IT spend

- **State of the art solution**

No SAP release upgrade project needed within the next 5 years

Project framework

Project approach

- A single IT solution
- Minimal adaptations to template
- Common business practices
- No frills approach, but must meet core requirements

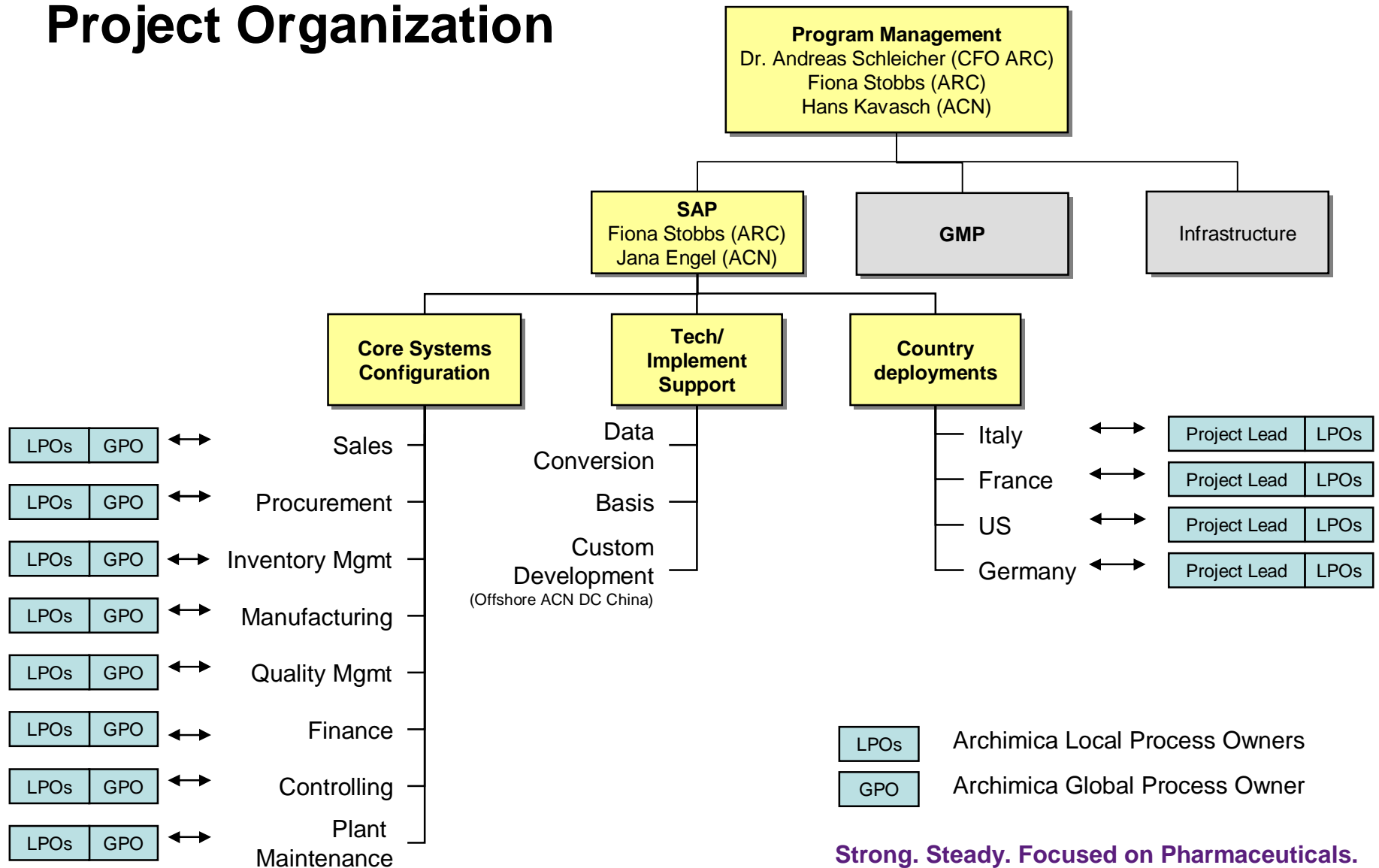
Issues

- Time frame
- Resources – IT & business
- GMP
- High number of concurrent project/s
- High variation across business changes
- High variation across countries

Critical success factors

- Quick decisions from business
- Simplification
- Top level management support & drive
- Resource availability
- Strong communication within & between countries and processes

Project Organization

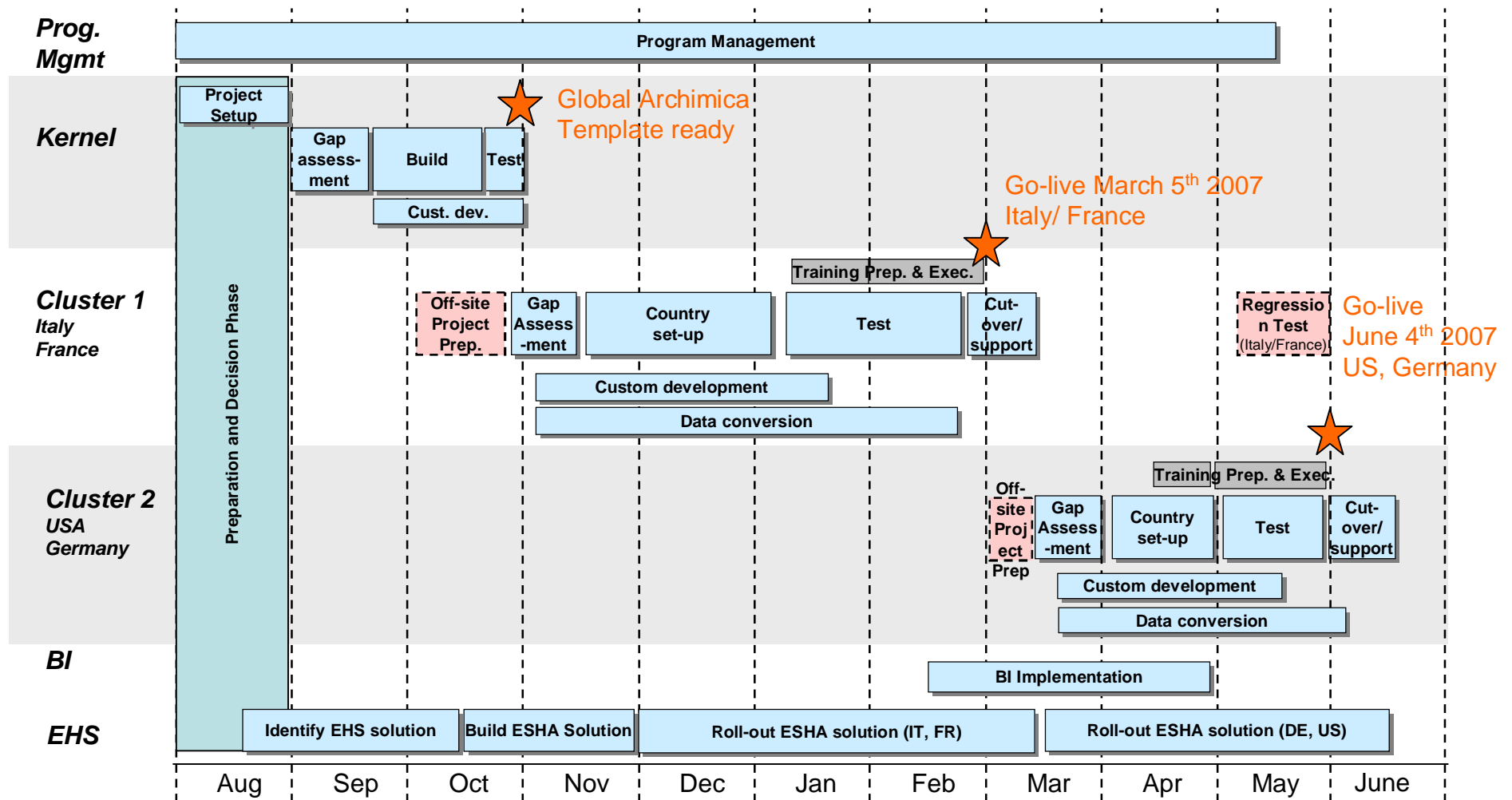


Strong. Steady. Focused on Pharmaceuticals.

Project roles & responsibilities

Project sponsor	Highest escalation level. Decide on project financials
Strategic directors	Provide strategic direction; Ensure that SAP system supports Archimica strategies; Mediates where necessary
Country heads	Drive change through the local country sites; Encourage & support global processes rather than local variations; Motivate resources
Global process owners	Responsible to simplify & harmonise existing processes across all countries; Pragmatic approach is essential
Local process owners	Provide proactive input to global process owners and participate in local implementation project
Program managers	Manages overall program. Coordinate workstreams
Local project managers	Coordinate local Archimica resources and resolve issues during local implementation

Detailed SAP timeline



Strong. Steady. Focused on Pharmaceuticals.

cGMP approach

- Parallel GMP workstream implemented and detailed activities defined to ensure system is validated at go-live
- External validator – PQE – hired to support validation process
- Major project implications for i.e.:
 - Testing (validation test, change control)
 - Migration (approval procedures)
 - Training (proof of training required)
 - Authorization (segregation of duties)

Archimica SAP Support – Run Center Kronberg

- 1st and 2nd Level Support Helpdesk
- Application Maintenance
 - Issue/Problem Solution
 - System Enhancements
- Shared Resources team with specialists in each functional SAP area
- Support in the languages Englisch and German
- Deep system monitoring and correspondence with
 - Local and Global Process Owners
 - Local and Global Security Officers
 - Local SAP Responsibles (SAP Champions)
 - Global SAP Lead

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Implementation Highlights

- Set-up of a **cGMP-compliant SAP system**, centrally hosted & controlled, and infrastructure in record time
- Delivered complete new IT infrastructure in **3 months** in all seven locations across five countries
- Delivered lean running SAP system in **6 months** for Italy and France (kernel development and roll-out) and **3 months** for U.S. and Germany
- Efficient Implementation with **minimal** disruption
- Delivery of SAP based on the SAP Chemicals template solution for mid tier companies
- Delivery of Application Management from Accenture's Support Center in Kronberg (Germany)
- Delivery of SAP Server Hosting from external Data Center in Saarbrücken (Germany) coordinated by Accenture

Key Success Factors

- **Usage of cost-efficient SAP template solution**
- **High degree of standardization**
- **Professional, coordinated project management**
- **Commitment of all partners**
- **Structured approach to meet cGMP requirements**

Questions

