



## *A pharma giant's growth strategy gets a shot in the arm from on-demand M&A IT integration and execution*

### **The challenge**

A drugmaker can get a lot of mileage out of mergers and acquisitions. As a growth strategy, it helps to diversify risk, accelerate growth in high-value markets, and keep the innovation engine fueled.

At this global pharmaceutical company, M&A activity was in high gear. Multiple deals were in progress across high-demand areas like oncology and rare diseases. Although this was good news for the health of the company's product pipeline and portfolio, the information technology organization was struggling to keep up.

The IT team was sized for business as usual, not large integration projects. Along the same lines, the team had the skills for running an efficient IT operation, but lacked the data migration, user experience, and other specialized expertise to keep a pharma IT integration on track.

The cracks were starting to show. Project delivery was disjointed, with inconsistent quality and an absence of standards. The longer an integration took, the longer it would take to capture the synergies of the acquisition—and the higher the risk of operational errors and gaps.

### **A model to scale up and down**

One option was to bring in outside help on a project basis. That would address the IT team's need to scale up when an integration was on the brink and scale down once it was over. But IT leadership worried about losing institutional knowledge once the consultants left.

There was also the question of geographic reach. The drugmaker had deals under consideration worldwide and was open to more in the future, including in developing and emerging markets. The administrative and logistical challenges of engaging

qualified service providers in each region were daunting.

To address these concerns, we collaborated with the company on a flexible staffing model for managing the company's M&A IT integration activities. The model was designed to:

- Consolidate technology vendors for economies of scale
- Establish project delivery standards for consistent quality
- Optimize delivery processes to meet significant project demand in an economical manner
- Retain knowledge capital through long-term teaming and knowledge management services

Next, we assembled a core Deloitte team to deliver through this model. The team included M&A, IT integration, and project management professionals. All had experience in the life sciences industry.

## Results

The core team soon fell into a tempo of coming in as needed, scaling up as the work scaled, and changing out resources as the work changed over the course of a deal. When a project required people with domain knowledge—in R&D, sales, distribution, or something else—we spun up the appropriate task force. For international transactions, we tapped Deloitte's global network.

Once each project ended, we wound down operations and sent team members to work on other M&A engagements. When they returned to help with the drugmaker's next project, they brought the lessons and best practices of those third-party engagements with them.

Along the way, we significantly reduced ramp-up time for new projects. Delivery speed improved by roughly 25%, with about 50% savings in client spend. And

project delivery standards were finely tailored to achieve the right balance of cost, quality, and risk for the client as the company grew.

More than a decade later, Deloitte has delivered numerous IT separations as well as strategic, highly visible integrations. The scalable model we co-designed all those years ago has become a program that delivers on-demand M&A IT transaction competency to one of the life sciences industry's most ambitious leaders.

Contact us today to see how Deloitte *Operate* can deliver for you.

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