



A pharma company takes a strategic approach to *operations post-ERP transformation*

The challenge

Our client, a leading pharmaceutical company, embarked on a multiyear, phased ERP transformation involving substantial investment. From the outset, the client prioritized keeping the ERP core clean to preserve future agility and scalability, while upholding the highest quality standards and deliberately steering clear of traditional operational approaches that often create technical debt.

At the same time, the drugmaker sought a model that could adapt to its evolving business needs with agility, offering the flexibility to ramp up or down as required.

The goal was to enable high-quality delivery while minimizing demands on internal teams, thereby freeing their capacity to focus on strategic initiatives.

One thing was clear: The traditional support model was not set up to achieve all these goals. To avoid trade-offs, the drugmaker would need an entirely new approach to operations.

An innovative construct

The solution we devised for the client was based on a construct we called “flexops.” Under this arrangement, Deloitte provided skilled functional and technical support in a scalable way.

The proposed construct allowed the client to scale in functional areas (finance, planning, reporting, treasury, supply chain, and more) as well as in services (ranging from enhancements, upgrades, and bug fixes to L3 support, elevated L2 support, test automation, and DevOps enablement).

The aim was to provide the client with a flexible model that allowed for the expansion or contraction of services while maintaining pricing predictability and reducing costs over time. An effective location strategy unlocked cost benefits, extended the hours of coverage, and provided time zone alignment.

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The flexops model was further enhanced by fostering a culture of continuous improvement and innovation. The team introduced multistep stage-gate processes to improve the quality and predictability of new releases while allowing multiple team members to work in a unified manner. We began piloting the use of artificial intelligence (AI) throughout the various phases of software development. Productivity or velocity improved with every sprint, allowing the Deloitte team to deliver more work without adding people or capacity.

Results

Even though the drugmaker's initial reaction to Deloitte's flexops model was positive, our initial scope of engagement was relatively modest, focusing on major enhancements and bug fixes within the central finance function. The success of this project encouraged the client to expand our involvement over time. Within three years, the flexops team had delivered:

- Hundreds of enhancements, fixes, and upgrades
- Three advanced software composition analysis dashboards (for sales, profit and loss activity, and operating

expenses) that improved the user experience and enabled faster, data-driven decisions

- An improvement of 450% in job performance within a single month via targeted performance initiatives
- A 15% year-over-year reduction in cost

At least 15 innovation initiatives yielding roughly 800 hours in business value and freeing 1,300-plus hours for the drugmaker's internal IT team to focus on strategic work

The AI pilot, which is ongoing, is on track to deliver an additional 15-20% efficiency gain across service areas and personas.

Meanwhile, the scope of work has expanded significantly to include six functional areas and five services. Along the way, Deloitte has become a bridge between the client's implementation team and its IT services vendor, closing skills gaps as needed while maintaining process discipline across multiple handoffs in a highly complex environment.

Today, the client has an up-to-date enterprise technology landscape with sophisticated enhancements to their new, transformed solution.

Talent remains a key focus area, with an emphasis on constant reskilling and upskilling for the client. Additionally, the team's emphasis on extensions and integrations is helping the client minimize the accumulation of technical debt for the foreseeable future.

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Contacts

Kirti Jindal

Managing Director
Deloitte Consulting LLP
kijindal@deloitte.com

Ryan Osborne

Managing Director
Deloitte Consulting LLP
rosborne@deloitte.com

Pradeep Hunashikatti

Manager
Deloitte Consulting
India Private Ltd.
phunashikatti@deloitte.com

Akshat Bindal

Manager
Deloitte Consulting
India Private Ltd.
akbindal@deloitte.com

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