



Global business services in life sciences

A window to the future

KPMG International

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Vicki joined KPMG through a merger with EquaTerra where she built the life sciences and pharmaceutical practice over 7 years to be the largest commercial industry practice for the firm. She has extensive knowledge of the industry's evolution as well as the radical disruptors that have been pivotal to the industry's changing landscape.

Vicki's particular passion is around women's leadership and development and her annual Women in Shared Services & Outsourcing event allows a forum for networking and discussion.



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Rick is a Principal with KPMG in the US Shared Services & Outsourcing Advisory practice and leader of its Strategy and Shared Services Competency. He has over 25 years of experience, including over 15 years in management consulting and another 10 years in senior financial management positions in the corporate environment, including roles as a Corporate Controller and Chief Financial Officer of two different businesses. He has the analytical tools, practical know-how, and executive perspective to help clients in a variety of areas.

Prior to KPMG, Rick was with EquaTerra where he headed the Finance and Shared Services practices and assisted consulting clients in developing and improving capabilities in administrative functions in industries as diverse as manufacturing, technology, electronics, defense, utilities, pharmaceuticals, retail, consumer products and the public sector. Earlier, Rick was a Director with Gunn Partners and Project Manager in the general management consulting practice of Towers Perrin.

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Claudio is an acknowledged expert in Finance and HR functional transformation and has developed a broad and in-depth experience in broader support function reorganisation and re-engineering assignments, global business services; Pan-European shared service centre and business process outsourcing initiatives — from strategy through post-deal optimisation. An ACA with experience and expertise in the private and public sectors, his knowledge has been gained over two decades delivering solutions for clients in diverse industries including pharmaceuticals and life sciences.



Bob Cecil, KPMG in the US
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Bob has more than 25 years of expertise in assisting his clients in the transformation of their organisations and operations. With a primary focus on the general and administrative processes, Bob has helped companies realign their structure, governance and management processes, establish shared service centres, evaluate and transition services to outsourcing arrangements, plan and transition processes to offshore centres, re-engineer administrative business processes, and reduce the overall cost structure and spend on goods and services. Bob is an acknowledged industry spokesperson on general and administrative functional improvement through various advisory boards, research contributions and speaking engagements.



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Ruben has more than 20 years of experience in the Consulting market in Latin America helping Multi-Latinas to consolidate their back office services and operations across their enterprise units to improve operational efficiency and reduce costs. He has led large transformational projects that addressed governance, technology, processes and talent issues impacting his clients' businesses. He is currently focused on rolling out Shared Services and Outsourcing Advisory capabilities in the region by taking advantage of the SSOA LifeCycle© methods and assets.



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Since joining KPMG in 2014, Hideki has been involved in establish the Shared Service and Outsourcing practice in Japan, with the main area of focus being around the ITO space. As well as possessing expert project and programme management competencies, Hideki has gained wide exposure to different technologies, business change and technology enabled transformation programme, with a successful track record of delivering complex cross-border and domestic engagements involving both Japanese and foreign national corporations.



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Sumeet is a partner with the Shared Services and Outsourcing Advisory practice in India. He has over 16 years of experience in the outsourcing and services globalisation sector and has advised clients globally on GBS strategy, design and implementation. He actively advises his clients on the evolving significance and stature of GBS in their organisations and has supported them in their initiatives to continuously add business value. Sumeet's GBS experience covers a wide spectrum of services including IT and various core and non-core business processes. Prior to joining KPMG, Sumeet was working with another niche outsourcing advisory firm out of California, USA.

Introduction

International pharmaceutical companies are seeking ways to transform their operations, at a time when profit margins are under pressure, blockbuster drugs are coming off patent, and research and development (R&D) costs continue to rise. The heightened trend of mergers and acquisitions in life sciences is one of the results of these pressures, and these activities require more flexible and robust organisational structures capable of withstanding future shocks.

Since the 1990s, pharmaceutical companies have relied on offshore shared services and business process outsourcing to reduce costs and achieve economies of scale.

But the significant, early business enhancements have diminished over time, causing companies to look for a more transformative model that yields sustainable improvements, not only in efficiency gains but also in unlocking value.

One important means of achieving these results is the establishment of global business services (GBS), a cross-functional, globe-spanning model that integrates resources, capabilities and systems throughout the entire enterprise.

GBS includes shared services and outsourcing in the model and then goes beyond to extend the operational improvements further into every corner of the organisation.

Outsourcing has been going on for a long time, although it was fragmented. Today, companies are taking it to the next level to support core business

processes in a way that is cross-functional, centralised, global and integrated. Based on the research with over 150 global enterprises, organisations with mature GBS deliver year-on-year selling, general and administrative expenses savings of 1.8 percent per year in comparison to their peer group.¹

A key element of GBS is the focus on processes that span the entire enterprise, from one end to the other.

In this report, the orientation of end-to-end processes as part of GBS can enable the enterprise to adopt new technologies more rapidly and benefit from them faster. An example of this is cognitive automation, a continuum of technologies that companies can use to automate business processes and operations.

Pharmaceutical companies are familiar with the use of cognitive automation in their R&D operations, where it is used to accelerate the development of new drug compounds and to reduce costs.

When cognitive automation is included as a key set of technologies in GBS, it can enhance dramatically both the efficiency and effectiveness of the delivery of services across the enterprise and the future direction of the pharmaceutical company.

I hope you find this report informative in its future-forward look at GBS and where the industry stands the most to gain in the years ahead.



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¹ Source: KPMG International, 2016

Five key benefits of GBS

GBS was pioneered in other industries, and the pharmaceutical sector is coming somewhat later to the realisation that there are considerable benefits to be derived from it.

KPMG member firms have been active in advising on GBS implementation around the world. "We provide clients with the knowledge, data, technology and experience to

integrate outsourcing, shared services and internal improvement into their broader transformation strategy," says Ruben Gallego, Latin America lead, Shared Services & Outsourcing Advisory practice, at KPMG in Brazil.

Among the main benefits of a GBS organisation are:

Cost savings

Cost reduction remains a major concern of the pharma companies that face continued pressure on their profit margins.

By centralising core functions, companies can continue to extract savings long after companies have exhausted other avenues for achieving efficiencies.

"Almost all life sciences companies have reduced the workforce, and yet cost reduction remains at the forefront

of executives' minds. GBS takes cost reduction to the next level," says Vicki Phelan, Managing Director, Shared Services & Outsourcing Advisory practice, KPMG in the US.

When cognitive automation is part of GBS, labor costs are reduced by 40 to 75 percent, more than double the savings derived from shifting operations to cheaper labor markets, KPMG in the US has found.

Stronger compliance

Organisations are able to build more robust structures to comply with growing demands from regulators around the world, for better business conduct.

"If a company has standard structures and processes across the organisation, it makes it easier to comply with

regulators. For example, once you have integrated GBS activities, then within the R&D function you can report to the US Food and Drug Administration in a standardised format and profile, meeting the expectations of the regulator in a way that is easily auditable," says Phelan.

Faster implementation of corporate transactions

Completion of mergers and divestitures can be accelerated, shortening time-to-market and time-to-benefit.

“M&A is top-of-mind for most executives in the pharmaceutical industry. In support of all the portfolio

rationalisation happening in the market today, they want to know how they can make their organisation the highest quality, to be acquired or to be the acquirer,” says Phelan.

For example, one pharmaceutical company bought 11 businesses within

2 years “and its GBS organisation was able to help disentangle and integrate all of them into the central organisation,” says Rick Bertheaud, a Principal in the Shared Services & Outsourcing Advisory practice and a Practice Lead in GBS for Life Sciences.

Increased flexibility

“The recent acceleration of corporate transactions in the industry is creating the need for a flexible and adaptable platform for the back and middle office, enabling it to scale up quickly to meet new business needs,”

says Bob Cecil, a Principal in KPMG’s Shared Services & Outsourcing Advisory practice in the US.

A strong GBS organisation will play a crucial role in creating a platform

that is more responsive to business needs globally than a regionally focused, siloed structure of shared services.

Global reach

By incorporating all key services worldwide into a single GBS organisation, companies can fully realise economies of scale.

“This is a particular asset for Japanese pharmaceutical companies where the English language is not widely spoken and there is a need to standardise processes globally,” says Hideki Machida, Manager, KPMG in Japan.

Despite these key benefits, many pharmaceutical companies have not yet taken full advantage of the effect of establishing GBS for their organisation.

Once they see the wide-ranging gains from GBS and implement it fully, they will be able to realise the value.

But they should not underestimate the scope of the changes required and the degree of resistance they might be met within the company.

The roles and responsibilities of many people at all levels of the organisation will be affected, as one would expect with any profound alteration in governance and processes.

Effectively managing the transformation to a full GBS model is essential if all the benefits are to be achieved. Seen from the opposite perspective, “a GBS strategy is inadequate without a carefully thought-out method of operationalising it,” says Phelan.

Ten fundamental dimensions of GBS

The implementation of a GBS strategy begins with an independent assessment of the pharmaceutical company's maturity along 10 dimensions that encompass the organisation's operating model.

Delivery and sourcing strategy

1

The business service organisation's strategy and relationship to the overall enterprise.

Service portfolio

2

The functional breadth, depth and geographical reach of business services in the company, from finance and internal audit to HR and compliance.

Data and analytics

3

Its capability to analyse large amounts of data, financial and otherwise, for the purpose of business decision making.

Talent management

4

The ability of the company's HR department, working with other functions and levels of the organisation, to attract, retain and nurture the skills of the workforce.

Process excellence

5

The deployment of end-to-end business services throughout an enterprise's global operations with a focus on continuous improvement, quality and innovation.

Enabling technology

6

A technology platform for enterprise resource planning, applications and tools to enable the deployment of standardised services.

Enterprise service governance

7

A systematic approach to working with stakeholders to manage risk and drive the value derived from business services.

Commercial perspective

8

The way in which business services engage with internal customers, based on a customer relationship model.

Tax and risk optimisation

9

A company's capability to monitor and manage its tax, legal and risk exposures around the world.

Change and programme management

10

A focused, holistic approach to ensure everybody in the company is ready, willing and fully to adopt and sustain changes in the organisation. This helps to realise expected benefits, reduce resistance and manage risks that might undermine the value of the initiative.

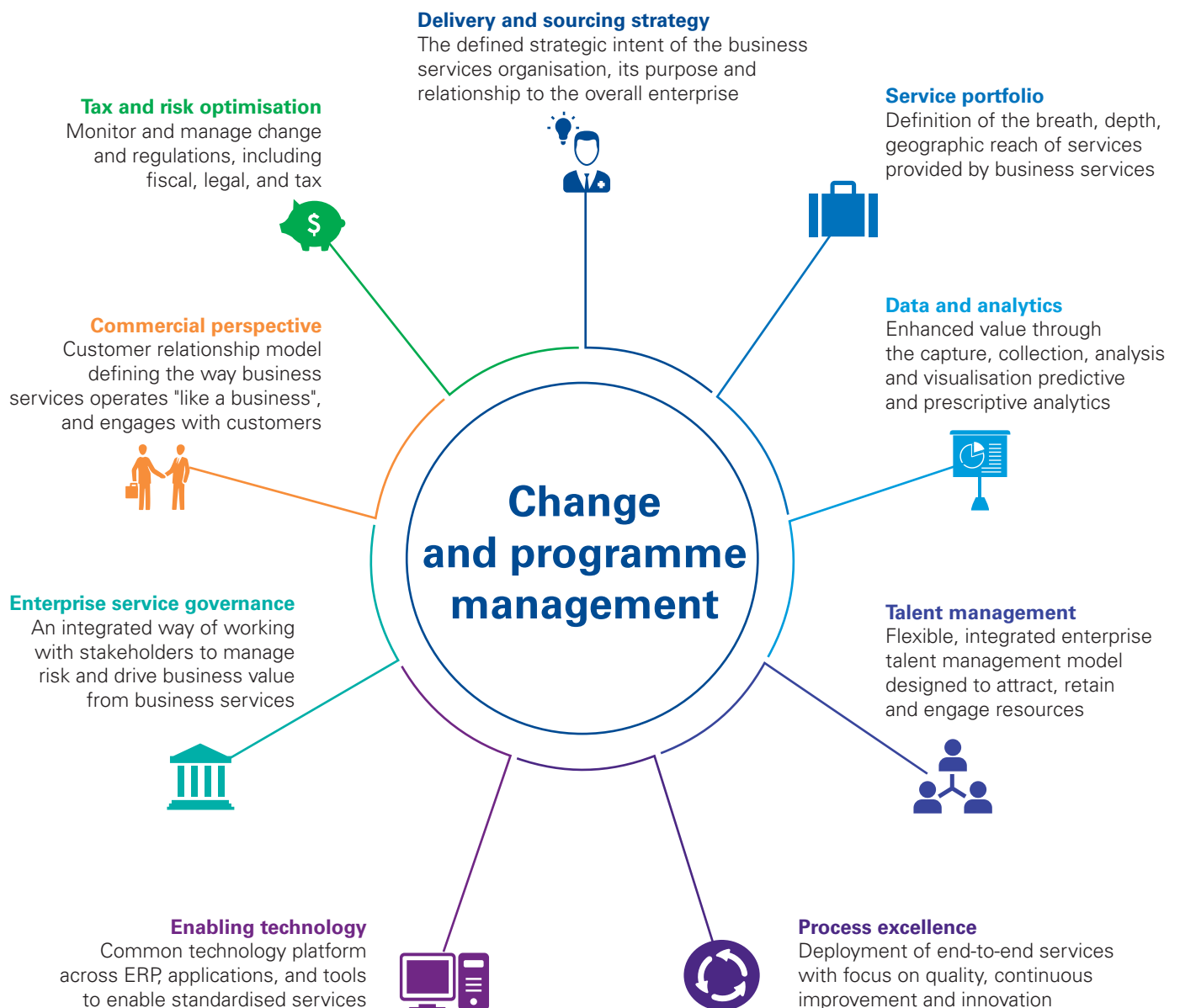
All of these dimensions need to be evaluated from different vantage points to be assessed for their maturity level.

For example, tax and risk capabilities may vary widely, depending in which part of the world the company is operating.

"When doing its assessment of pharmaceutical companies in Peru, for example, the KPMG member firm deploys subject matter experts with a range of qualifications to advise and assess companies operating in the country, where labor regulations are very complex," says Gallego.

"Similarly, the company must assess the degree to which the Board is aligned with the GBS initiative, which falls under the commercial perspective," he says.

Figure 1: Sustainable business services enabled by the KPMG 10 dimensions of GBS



Change and programme management

"Change and Programme Management can make or break a GBS deployment across the enterprise. The nature of a GBS structure means that reporting lines, career paths and colleague perceptions are altered and this needs to be managed carefully. Selecting the right leaders and providing the right support from day one can position GBS as a powerful business function but there are many examples where this has hindered success. Given the significance of the change and number of touch-points the Programme Management needs to be well designed and executed, not just at the design phase but well into deployment and service provision. Getting these factors right will make the difference in GBS being a well-respected and value adding business function."

Gavin Donaldson, Partner, KPMG in the UK

Five levels of GBS maturity

Each of the 10 dimensions (see figure 1 on page 9) must be analysed to assess their level of maturity along a spectrum from basic to advanced.

The higher the level of maturity, the greater the company's ability to deliver business services in a seamless, global and integrated way.

Organisations are assessed according to their position in five levels maturity:

Level 1

Fragmented

Service delivery is decentralised and processes, functions and technology are duplicated. There is little central control and services are 'pushed' to the internal clients, rather than being driven by demand.

Level 2

Sub-scaled

The delivery of services is consolidated to achieve economies of scale in the provision of highly transactional services. Some services are shared and outsourced, usually for single functions and regions.

Level 3

Scaled

Services are delivered across multiple functions but the silos remain in place. Processes, technology and governance of business services are not fully standardised.

Level 4

Integrated

Multi-functional services are delivered seamlessly from one end of the enterprise to the other across several channels that are managed through an integrated, outcome-oriented governance structure. At this stage, GBS is able to provide analytic services to the enterprise, as well as expert advice on a range of important business issues, such as compliance, innovation and agility.

Level 5

Strategic

Multi-functional services are delivered across the enterprise. Processes, technology and governance are supplied across several channels. Internal capabilities support the delivery of services via a single contact point.

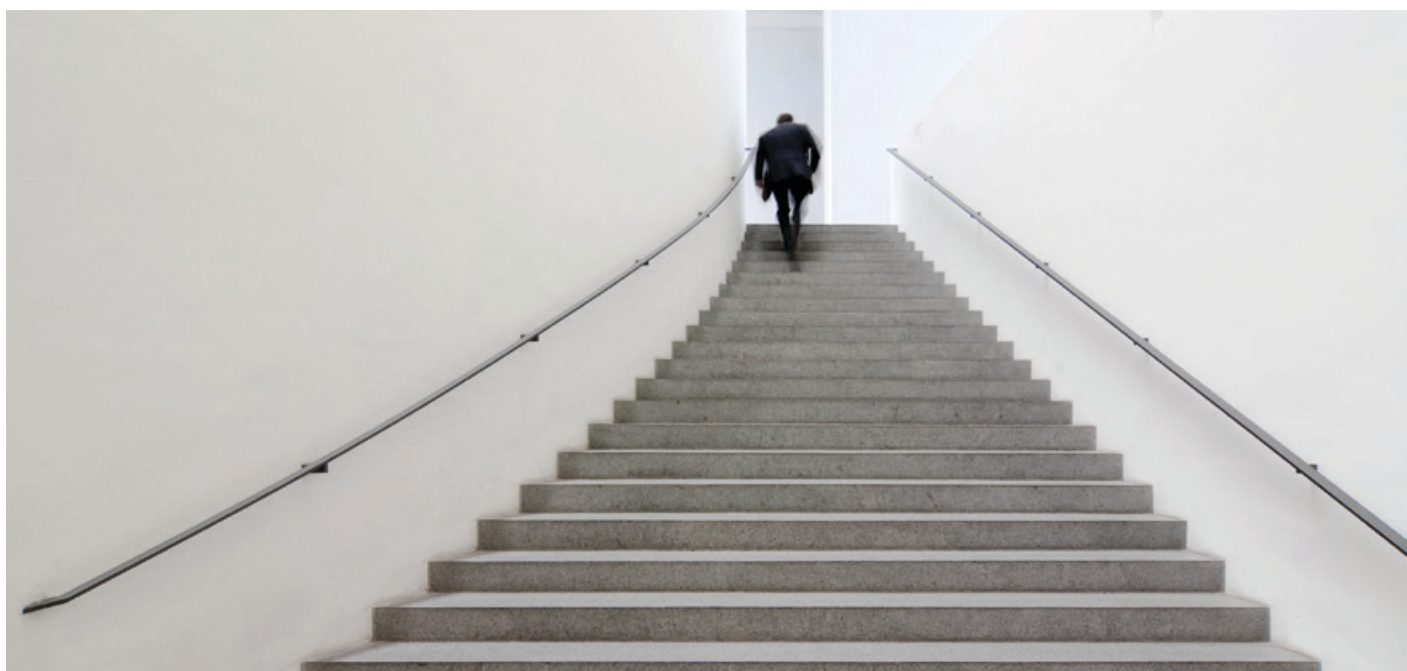
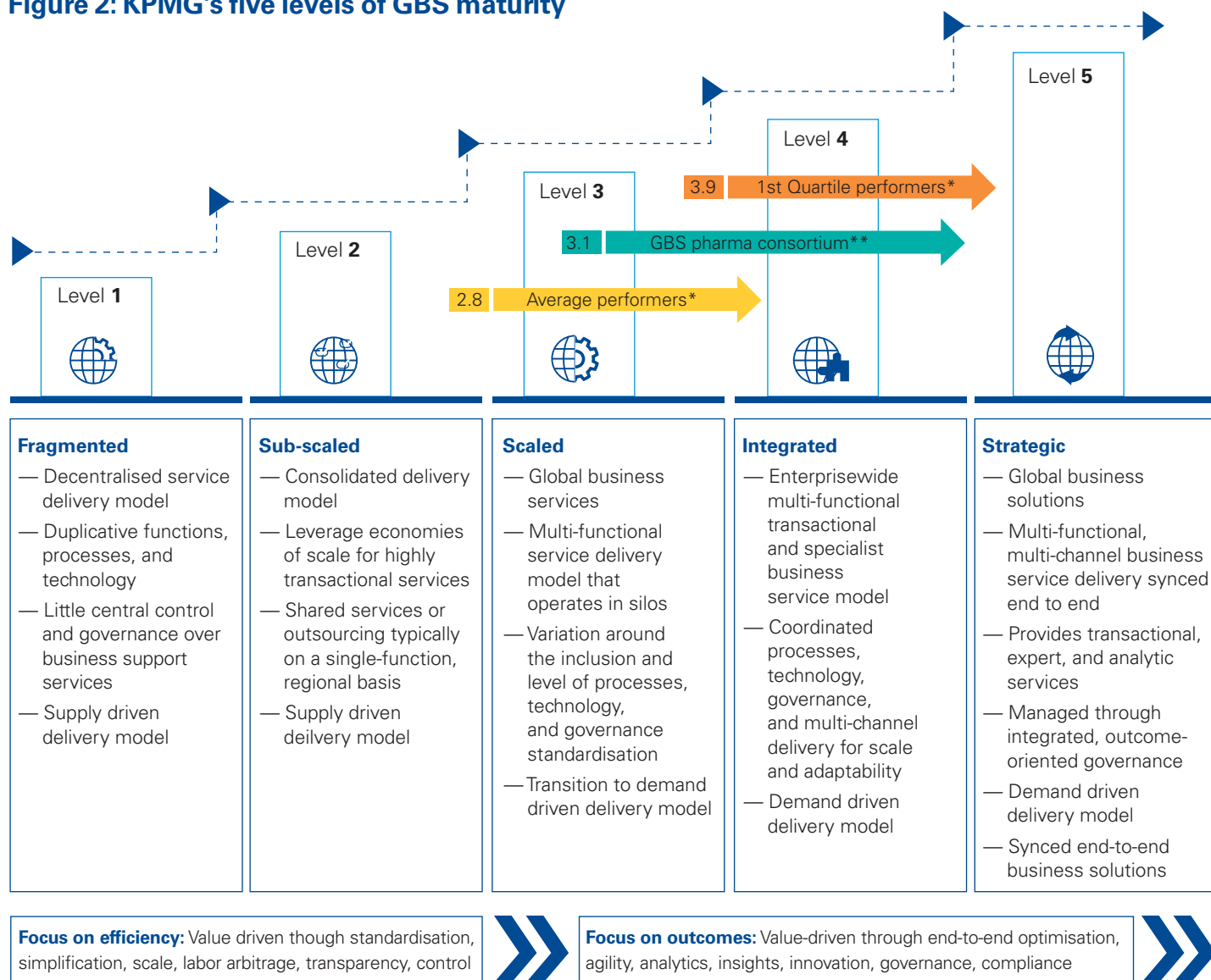


Figure 2: KPMG's five levels of GBS maturity



* KPMG in the US survey of 150 SSC/GBS organisation
 **GBS pharma consortium

Source: KPMG International, 2016

GBS maturity: actual vs. aspirational

KPMG's GBS pharma consortium

In early 2014, KPMG in the US formed a research consortium; now expanded to 15 global pharma companies. Each member of the consortium has been benchmarked against the others, anonymously. Now they know how they compare with their peers.

GBS leaders of consortium members meet once a month, off the record, to discuss what is at the top of their agendas. Each month, a different member company leads a discussion on a topic of its choosing and a KPMG subject-matter specialist talks about the firm's experience in advising on GBS in other industries.

The ability to assess where companies are on the maturity spectrum is based on a multitude of client engagements and research KPMG International has conducted with more than 150 companies in a range of industries, of which 15 are major pharmaceutical and medical devices companies, that have GBS.

Based on this research, KPMG International was able to determine the average maturity level of the 15 companies on each of the 10 dimensions.

The chart (see figure 3 page 13) shows that the maturity varies widely from one dimension to another and is lowest in data and analytics and enabling technology. The level of maturity is highest in the change and programme management.

As can be seen, there are significant gaps between the actual level of maturity and the level that is desired. Moving from one to the other is the often difficult

journey that KPMG member firms help companies navigate.

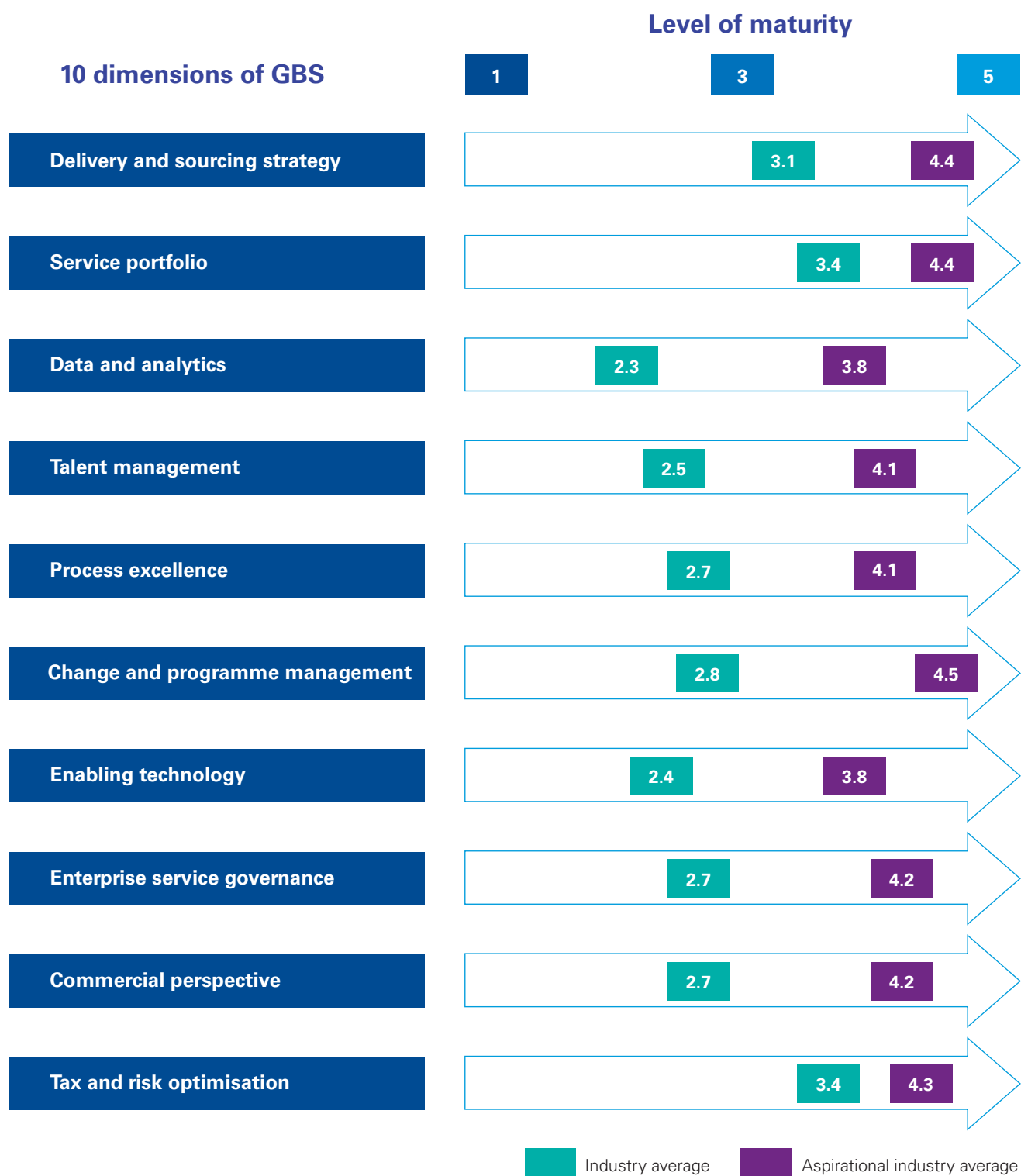
Companies in other industries that are more advanced in GBS implementation have lessons to teach pharmaceuticals. KPMG in the UK is currently advising a number of large, global banks in the UK, as they create or improve their GBS organisations.

The scale of GBS is large: up to half the total workforce of these organisations provides back- and middle-office services to the front office. For some organisations, this involves more than 100,000 people.

"By including technology services and call centres in their model, not only do they create end-to-end ownership of the bank's processes, but they are complying with stringent, new regulatory requirements, driven by the fall-out of the global financial crisis," says Claudio Altini, Director, GBS Advisory, at KPMG in the UK.



Figure 3: GBS level of maturity across the KPMG 10 dimensions of GBS



Source: KPMG International, 2016

Overcoming the stumbling blocks

From a fragmented to a scaled model

Some companies, however, are struggling to reach the third stage of a scaled service delivery (see figure 2, page 11).

Japanese pharmaceutical companies tend to perform all functions in-house and have only recently begun to set up joint ventures with outside service providers in the form of shared service centres.

“It’s a very costly model, because it is a hybrid of in-house and outsourced provision,” says Machida.

By consolidating fragmented services into a more unified structure (i.e.,

advancing to level three of maturity), companies have saved 30 percent to 40 percent of their costs through process simplification, automation, economies of scale and labor arbitrage.

In this process, there is resistance among functional departments to a loss of control, as services are centralised.

“The commercial orientation is around ensuring the value proposition makes sense,” he says, “and is crystalised in an internal service level agreement that determines the cost of the services provided and the service levels the organisation commits to meeting.”

From scaled to integrated or strategic model

The multifunctional service organisations are brought into a single, cross-functional organisation under GBS.

Bertheaud gives the example of a large pharmaceutical company that has 65 services spanning nine functions. In creating their model, the company wanted to move from functionally siloed services to end-to-end business processes.

As an example, from order to cash, they brought together and optimised services across commercial, distribution, credit and accounting — four areas that previously worked independently.



By focusing on end-to-end processes, the client began to track, for the first time, a new KPI they called 'perfect order'. This measured the accuracy of all activities from taking an order and quoting a price and delivery time, all the way through to fulfillment and invoicing.

An analysis was conducted on more than 10 steps managed by various parts of the client organisation and by their third-party logistics provider. As Bertheaud notes, "the company was astounded to learn that it was achieving a 'perfect order' score of only 34 percent.

It's an illustration of the value of end-to-end service delivery in which the focus is on business outcomes rather than costs alone," he says. "In the old model, the problem wasn't just unsolvable, it was actually undiscoverable."

The more a company focuses on end-to-end delivery and the more it brings value-added activities into GBS, the greater the ability to make better decisions, because it can leverage its expertise across a wider range of operations.

A focus on business outcomes is often a new experience for companies.

"The challenge is to find the right measurements. Companies tend to measure the wrong things and this drives the wrong behaviors. Their measurements have not evolved much from when outsourcing was first established. We have driven down the number of suppliers, but are we paying them on time? Let's worry less about the number of invoices processed and focus more on whether they are paid on time," says Altini.

KPMG member firms have found that pharmaceutical companies that undertake the journey tend to find it particularly difficult managing the transition beyond the scaled stage. This is mainly because, by this point, companies are taking accountability away from the different functions and giving it to GBS.

"Companies sometimes find themselves in a trap because they have appointed a person to run GBS as if it was another function," says Cecil. "The real value of GBS is when it is integrated into the operational fabric of the company to achieve the flexibility and cost-effectiveness that are promised."

Bertheaud says, "The way this is dealt with is through changes in governance; by creating a more commercial orientation, services are run like a business, driving decision making to middle levels in a governance model that aligns to the function."

The transition between levels requires a change in thinking.

"Learning to operate as a service function and charging for services are no longer the main challenge of change management. The bigger challenge is getting people to accept the value of GBS operating above the independent functional organisation, to think less about function and more about process," says Altini.

"We don't talk about HR and finance in a GBS world, but about the processes or services they deliver. For example, I will no longer be an HR person, but somebody who provides a service, such as managing performance plans."

A company may have to make a tactical retreat and move forward later.

One large pharma company was unable to integrate fully its business services and decided to return to level three from level four in order to improve its processes and then try again. "It is now dismantling certain parts of its GBS model. It created it with much enthusiasm, but did not stretch it from end-to-end to ensure its success. It has to be fully built out across the enterprise if it is to work well," says Altini.

Many struggle to push the transformation to the frontiers of the company.

“You cannot assume all companies are fully capable of end-to-end process management from the first day. A big part of it is to go through a natural progression of this governance. Most companies must move from GBS as a landlord, doing some integration and putting things together, to function-directed GBS delivery, to GBS as an independent service entity standing as a peer of the functions and business units,” says Cecil.

“If you push too hard, then GBS will fail. You have to bring companies onboard gradually so they can make progress through this journey.”

In the case of one large life sciences company, it took years to reach the point of formally creating and launching a GBS organisation because there were entrenched power bases and widely differing views on how to proceed.

“It took a lot of selling internally. It established a GBS organisation several years ago in one major division and only in January 2015 formally launched it across the entire company,” says Altini.

As always, corporate leaders must set the tone.

“Ultimately, it does require the Chief Executive Officer to stand up and support it. But it is typically the Chief Financial Officer who leads the initiative. Functions, such as finance, HR, procurement and IT, have each gone down the shared services and outsourcing route. So there is knowledge about what it can do for the organisation. But it’s more about who sees an integrated business services operation that is beyond shared services.”



Figure 4: Two paths to excellence

Companies can take one of two paths in their journey towards GBS maturity:

A

Global platform focus

Success factors:

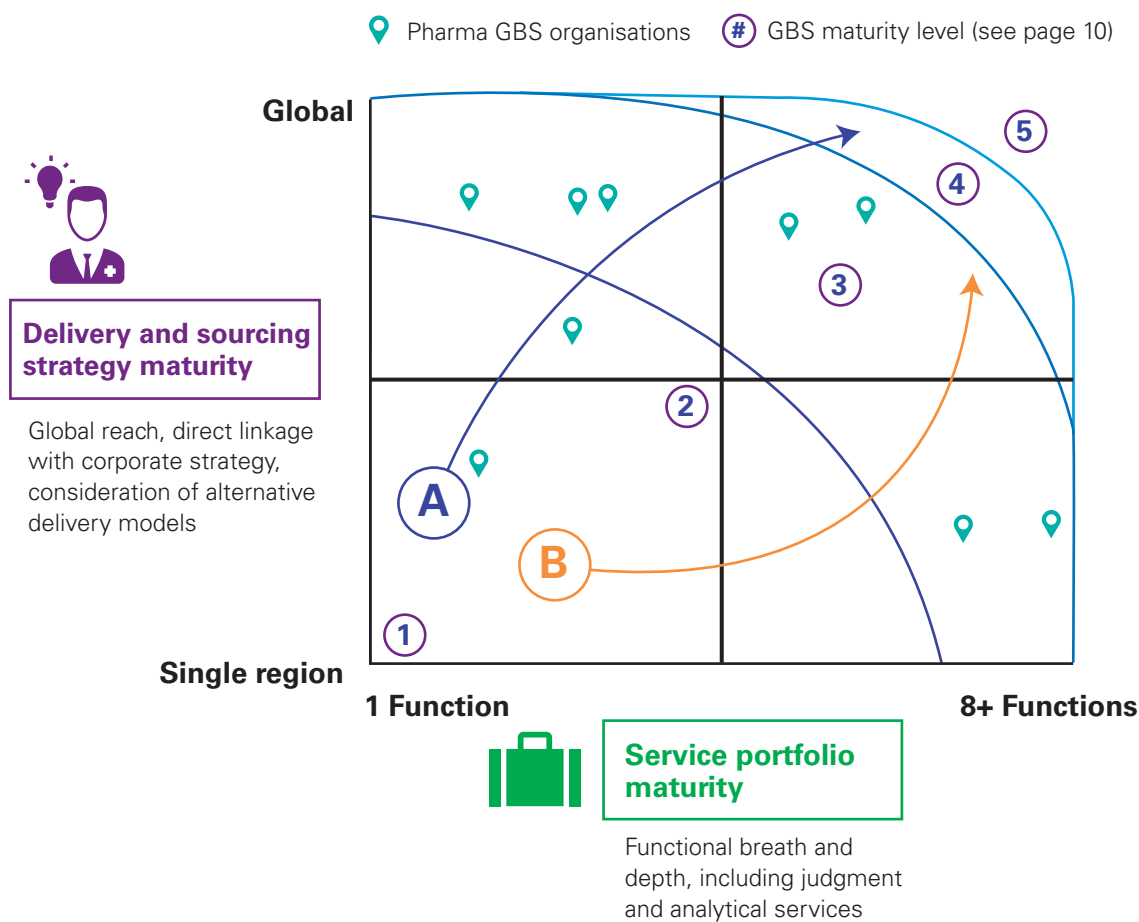
- C-suite alignment on approach and governance model
- Alignment of GBS model to overall regional management construct
- Global management of delivery infrastructure, technology platforms and process standards

B

Functional diversification focus

Success factors:

- C-suite alignment on multi-functional approach
- Cross-functional governance/service management
- End-to-end process ownership across functional silos



Source: KPMG International, 2016

GBS and the bottom line

As companies move past the maturity level of scaled services across functions, GBS begins to provide expert services on top of the day-to-day transactional processes.

This is where data and analytics and cognitive automation come into play (see page 19). Predictive and prescriptive analytics, properly targeted, help drive better-informed decision making.

The head of analytics services in the GBS of a major pharmaceutical company tells how their organisation achieved savings totaling US\$2 billion between 2008 and 2015 through revenue enhancements, cost containment and working capital improvements.

As GBS organisations develop, companies can begin tying their value proposition directly to the C-suite agenda.

A company may be able to absorb the services of acquired companies

in as little as 9 months, for example.

“The GBS organisation is helping to decommission systems, rationalise the workforce and increase the speed of obtaining critical information; all of these are of tremendous value,” says Bertheaud.

But there has to be a strong backbone that can bear the pressure. “When you link disparate service providers by means of data and analytics, you need an organisation with very disciplined processes and a very strong governance structure,” says Ryan.

A robust governance structure is an extremely important component in the success of GBS, but it works best when combined with other ingredients. “Standardised processes, a governance model, and organisational architecture on their own do not create value, but when they are all put together cohesively, they create value for a company,” says Machida.

R&D and GBS?

In the past, the R&D department of pharmaceutical companies has not been included in GBS, even though the amount of spending on clinical research dwarfs what is spent on functions such as accounting and HR.

“A large company will often have hundreds of suppliers of clinical research without a clear view of whether they are all needed and whether the money is spent wisely. This is largely because the head of R&D is in a very powerful position at the heart of the company and has been able to keep itself separate from GBS,” says Altini.

“But changes are afoot,” says Phelan.

“Before, R&D was the crown jewels. Now, things have shifted. A lot of companies are laying off their own researchers and partnering with others. The mindset is more open as to how to cut research timeframes and save money. One large pharmaceutical company is moving selected functions of R&D from New Jersey to Florida to save money. Every function, including components of R&D is being absorbed into GBS,” says Phelan.

How can cognitive automation enhance GBS?

Driven by advances in such technologies as machine intelligence, digital engagement and data analytics, cognitive automation is set to enable a progressive 'digitisation' of labor.

These technologies range from automating routine tasks to the use of machine learning algorithms and ultimately cognitive artificial intelligence.

Cognitive automation sits on top of existing IT architecture and, in its most advanced form, interprets data from multiple sources to make decisions. It can, for example, monitor the supply chain continuously to ensure a pharmaceutical company and its suppliers comply with the anti-bribery and corruption regulations around the world, by combing databases to look for outliers.

At the same time, the cognitive engine can be directed to weed out suppliers that are charging too much or help develop a more flexible and efficient procurement system across a region of the world.

Transforming the insurance claims process

KPMG in the UK worked with a large UK health insurer to improve the servicing of critical illness claims, cutting the claims payment process from 30 days to 15 minutes, through the use of predictive analytics.

KPMG in the UK collected and processed a variety of structured and unstructured data, developing a proof of concept that applied machine learning algorithms and various models to test their effectiveness.

The company's claims capability was transformed, potentially saving up to half the cost of claims processing, as well as achieving big improvements in the customer experience and in the consistency of claims processing.



Lessons from experience

Pharmaceutical companies can learn from each other and from organisations in other industries the lessons they have drawn from their experience along the GBS journey.

By doing so, they can accelerate implementation of the GBS model and quickly gain the benefits. Based on its extensive experience in guiding companies toward full GBS implementation, KPMG member firms have developed the following lessons to mitigate risks and maximise opportunities:

Align with corporate strategies

Pharmaceutical companies can smooth the transition up the maturity scale by ensuring that GBS implementation is closely aligned with the overall strategy of the company. This will help to determine the timing of the transition and investment priorities.

If the pharmaceutical company is focused on inorganic growth, for example, then it should tailor the development of its GBS to prepare for the absorption of another company's services into a unified structure.

Use technology to the fullest extent

Cognitive automation offers a powerful way for GBS to make gains quickly, dramatically reducing costs and speeding up time to market.

Data and analytics should be used to identify areas for service delivery and measurement as well as those

for process improvements and rationalisation.

Once GBS has developed the analytical capabilities, they can be offered to the business as a valuable service to support enterprise goals.

Integrate IT applications into GBS

Many companies are hindered by fragmented, overlapping IT systems and applications that will impede the transition to GBS maturity.

If GBS priorities are aligned with the company's overall strategy, then the timing of investments in things like ERP consolidation and software harmonisation will benefit both GBS and the enterprise as a whole.

Communicate the benefits

To build support for their objectives, successful GBS organisations clearly explain the overall business benefits of the model to the enterprise.

Early wins gained from the transition are communicated to the entire company, and especially the Board and senior management, to build momentum behind structural change.

Enhance change management

GBS organisations have to topple silos, disassemble fiefs and strengthen IT support for the initiatives. All of these require consummate change management skills coupled with strong governance capabilities to support complex GBS operations.

Nurture talent

A successful GBS organisation is a compelling career opportunity. The best way to attract the most promising employees is to train them in the skills that will be most effective, both within GBS and in the rest of the company. Then rotate staff both within GBS and between GBS and the business.

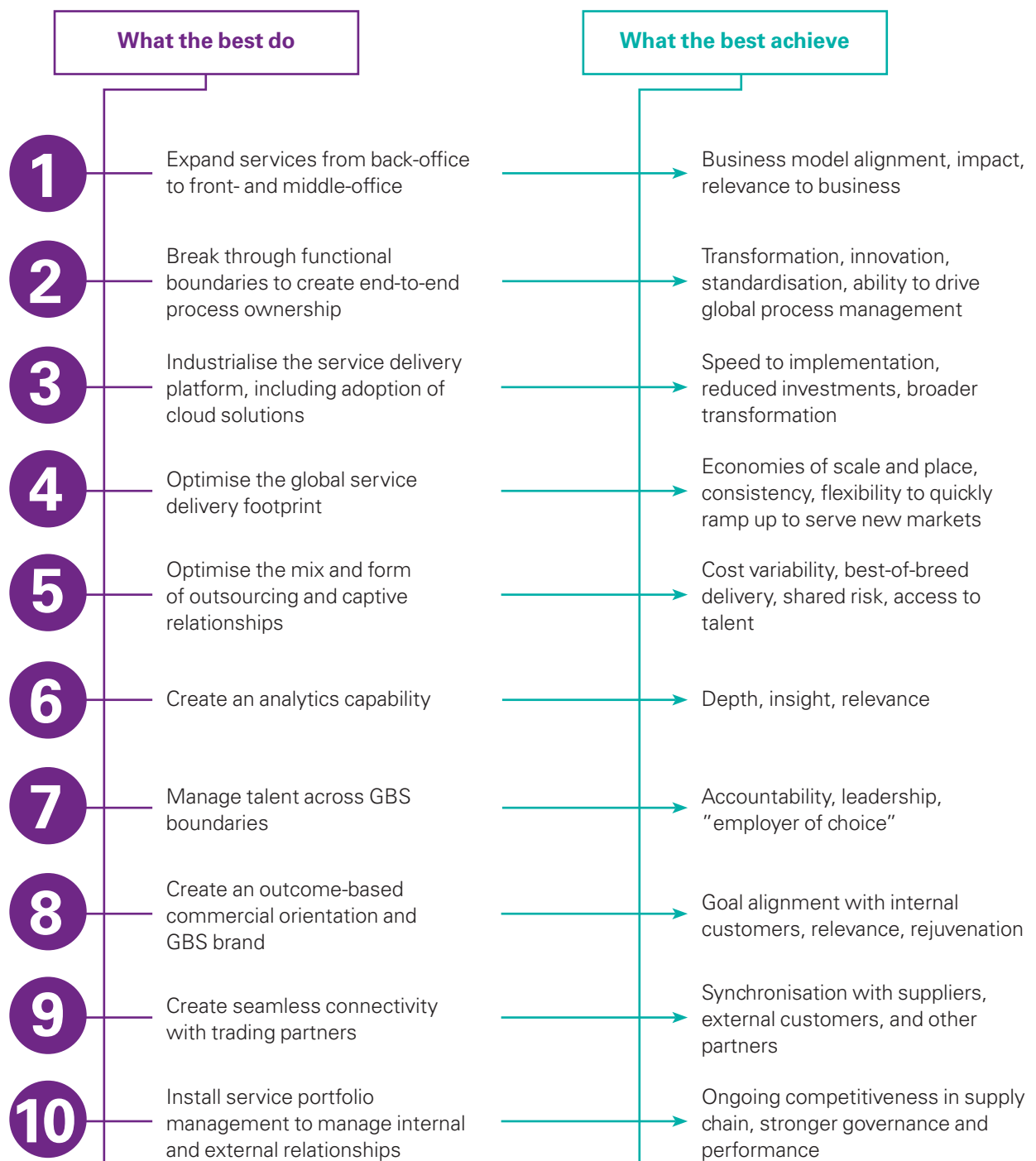
Define the possible

Over-reaching and implementing GBS too fast can lead to a backlash.

For companies that have grown by acquisition or have siloed services, centralising the delivery of functions may have to move gradually. By taking a more process-focused approach that links shared services with the retained organisation, companies might gain sustainable cost benefits.

Based on KPMG's experience in working with clients on implementing GBS in the pharmaceutical industry, we have identified 10 best practices that GBS leaders are focused on (see figure 5).

Figure 5: Ten best practices of GBS leaders



Source: KPMG International, 2016

How KPMG can help

The KPMG Global Life Sciences practice is dedicated to assisting businesses of all sizes to identify opportunities and take advantage of industry developments. KPMG member firms can help enable a more expansive and inclusive approach to product and service innovation and to realise the rewards of collaborating with a broader range of partners.

Our network of life sciences professionals work with all top 20

global pharmaceutical companies, the top 10 medical technology companies, and almost half of the top 50 biotech firms. They also stay in front of current trends and issues, providing relevant insights and advice to help organisations address their specific business challenges.

KPMG member firms help clients around the world to increase the efficiency of their business and operating models through enhanced

professional project management, cost-efficient organisational structures and streamlined reporting and approval processes.

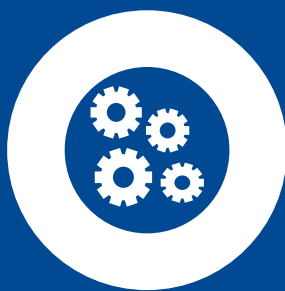
With our combination of life sciences and financial expertise, our teams can introduce a tested scientific and business rationale to complex large-scale projects, helping to improve the return on investment within an organisation, and support sustainable growth.

A sample of capabilities across the life sciences sector



- Compliance
- Sensitive issues/ investigations
- Information protection
- Revenue protection
- Audit quality assurance
- Third party audit

Regulatory change



- Regulation driven transformation
- Research and development (R&D) transformation
- Back office transformation/ operational excellence
- New commercial business models
- Mergers and acquisition (M&A), disposals, joint ventures and alliances
- Taxation

Business model transformation



- Data and analytics
- Cloud technologies
- Customer relationship management (CRM)
- Enterprise performance management (EPM)
- Cyber security

Technology enablement

Global Life Sciences thought leadership

These global publications discuss current issues and implications for our client's business and represent the kinds of insight available in our library of resources.



Fast forward: Future proofing the life sciences supply chain

Future proofing the life sciences supply chain will require redefining it to be more agile and capable in order to increase the value of untapped assets and expertise.



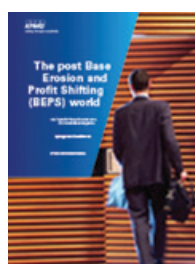
Collaboration — The future of innovation for the medical device industry

Medical device companies need to review their traditional approaches to innovation and take up new strategies designed to accommodate the rapidly evolving and globalised marketplace.



More than medicine

This provocative report examines a number of emerging opportunities for the life sciences industry to use its talents, scale and data to partner with healthcare systems to support transformative change and create new growth for the sector.



The post Base Erosion and Profit Shifting world

This report focuses on providing a viewpoint for multinational life science companies to address the Base Erosion and Profit Shifting (BEPS) Action Plan being completed by the OECD.



Risk and Disclosure in the Global Pharmaceutical and Life Sciences Industry

KPMG's analysis of financial filings shows the continuing drive to improve shareholder value through innovative therapies in the face of the ongoing price pressures, the patent cliff, and regulatory requirements.



Growing the pipeline, growing the bottom line

This report looks at the research challenge through the eyes of senior R&D executives from some of the world's leading pharmaceutical companies.

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