



Banner Pharmacaps Inc

ERP Implementation: Building a Foundation for Growth

SUMMARY

Banner Pharmacaps Inc (Banner) is a global gelatin-based drug delivery and specialty pharmaceutical company. As a foundational part of their vision for aggressive growth, Banner chose to invest in an Enterprise Resource Planning system that would allow them to manage the continued expansion of their business. Upon the launch of a Direct to Market business segment, Banner worked with Clarkston Consulting to implement an integrated SAP solution that improved their business processes and allowed them to build tighter relationships with both their customers and vendors.

“Banner and Clarkston have a true partnering relationship. Once the plan was set and the work had begun, the line between the Banner personnel and Clarkston personnel was completely eliminated. One team, one set of goals, all working together with mutual respect, consideration and cooperation.”

Bill Bissinger, CIO, Banner Pharmacaps Inc

CHALLENGES & SOLUTIONS

Challenge 1: Provide an integrated global application suite that supported all of Banner's core business functions.

The proliferation of systems over the years, including reliance on departmental excel spreadsheets, had resulted in redundant systems with silos of information in functional areas as well as regionally in the United States, Mexico, Canada and The Netherlands. This created an environment where Banner management could not readily access or leverage key information.

Solution: Banner and Clarkston implemented an integrated SAP solution in the United States that included the Finance and Controlling, Sales and Distribution, Materials Management, Production Planning, Quality Management, Warehouse Management and Vistex modules. In addition, an RF solution was implemented to automate the warehouse management processes. Clarkston worked closely with subject matter experts from all of Banner's sites to design the global blueprint that will serve as the template during the regional roll outs. This global design will also standardize the business processes across the regions.

Challenge 2: Provide a scalable platform/environment and processes to facilitate business growth.

The lack of a scalable platform inhibited Banner from fulfilling its vision of “Being the leading specialty pharma company in gelatin-based drug delivery technologies”. Specifically, Banner wanted to be recognized as a leader in products and innovation driven by market demands, operate with integrated and effective processes at both regional and global levels, and allow speed of execution to provide quality of work life for their employees while providing a high level of service to their customers and an attractive return to their stakeholders.

Solution: Leveraging pharmaceutical best practices was essential to ensuring a solid foundation for future growth. Clarkston collaborated with the business to validate the pharmaceutical best practices as the “To-Be” state. The core SAP implementation provides a foundation that will allow Banner to execute its business strategy. The implementation of best business practices and automation of business functions allow Banner to execute their business more efficiently and to lower their operational costs. In addition, the integrated solution allows the users to share and collaborate to make better business decisions, resulting in better service levels with their trading partners.

Challenge 3: *Implement a fully validated SAP ERP solution with the necessary controls and processes to maintain a qualified state.*

Banner's assessment of their legacy systems revealed that it would be difficult to maintain FDA compliance and that continued use would require modification and re-validation. It also revealed that due to the breadth of changes required, validating their legacy systems would be cost prohibitive. As part of the SAP implementation, Banner wanted to establish a validation methodology and approach that ensured a state of compliance for all their cGMP systems and processes.

Solution: Clarkston worked with Banner to establish a validation methodology based on the GAMP 5 standard. The approach provided a roadmap for the project team to execute the project under control. The resulting system was thoroughly tested and documented to meet CFR 21 Part 11 requirements. Change control policies and procedures were established that ensure the SAP system remains in a state of compliance. The validation methodology and approach is now the standard for all other system implementations at Banner.

RESULTS

Leveraging pharmaceutical best practices to drive the global design allowed Banner to standardize their core processes. The resulting global template will accelerate the implementation of the SAP system across the other regions and will serve as the global platform to facilitate growth. Transitioning to the SAP solution provided great improvements to Banner including:

- The use of pharmaceutical "best practices" streamlined the core business processes, resulting in a reduction in operating costs.
- A single system platform and standard processes facilitated Banner's objective to operate as a global organization and established a foundation for continued growth.

- Replacement of multiple systems with a single common solution eliminated the silos of information while fostering a collaborative environment; improved the speed and accuracy of business decisions.
- Created an environment for continuous improvement by providing a fully integrated and flexible solution that allowed Banner to change and evolve processes and structures.
- Delivered a validated system that met cGMP requirements and complied with CFR 21 Part 11, which provide the necessary controls and procedures to ensure on-going compliance.
- Created repeatable training with SOPs and instruction manuals and provided initial training in all areas to ensure everyone was able to perform their job responsibilities.
- Established a robust project implementation methodology for future IT initiatives.

PARTNERING for SUCCESS

Clarkston's understanding of SAP best practices, unique life sciences vertical experience, supply chain expertise and great cultural fit helped Banner smoothly integrate the solution into their day-to-day processes.

The new solution positions Banner to successfully execute its business strategy and realize its vision of being recognized as a leading specialty pharma company. In addition, it provides an environment that enables them to adapt to and initiate change, leverage resources, make empowered decisions, and to function as a team in everything they do on both regional and global levels.



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