

The Journey of TM1 within Roche Diagnostics

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The image shows a screenshot of a TM1 data cube interface. The interface displays a hierarchy of products and financial metrics. The product hierarchy includes 'PROFESSIONAL DIAGNOSTICS', 'LAB SOLUTIONS', and 'CLINICAL CHEMISTRY'. The 'Level' column lists 'BA', 'BS', 'PL4', 'PL5', 'PL6', and 'PL6'. The 'Zero' column contains an 'x' for the 'BS' level. The 'Market Share' column shows a value of '28,173,289'. The 'Sales 2011' column shows a value of '250,104,502'. The 'Profit' column shows a value of '48,145,820'. The 'Loss' column shows a value of '5,099'. The 'Growth' column shows a value of '18'. The interface also includes a toolbar with various icons for data manipulation and analysis.

Centre	Level	Zero	Market Share	Sales 2011	Profit	Loss	Growth
PROFESSIONAL DIAGNOSTICS	BA						
LAB SOLUTIONS	BS	x		250,104,502	48,145,820	5,099	18
CLINICAL CHEMISTRY	PL4		28,173,289				
	PL5						
	PL6						
	PL6						

The vendor selection process

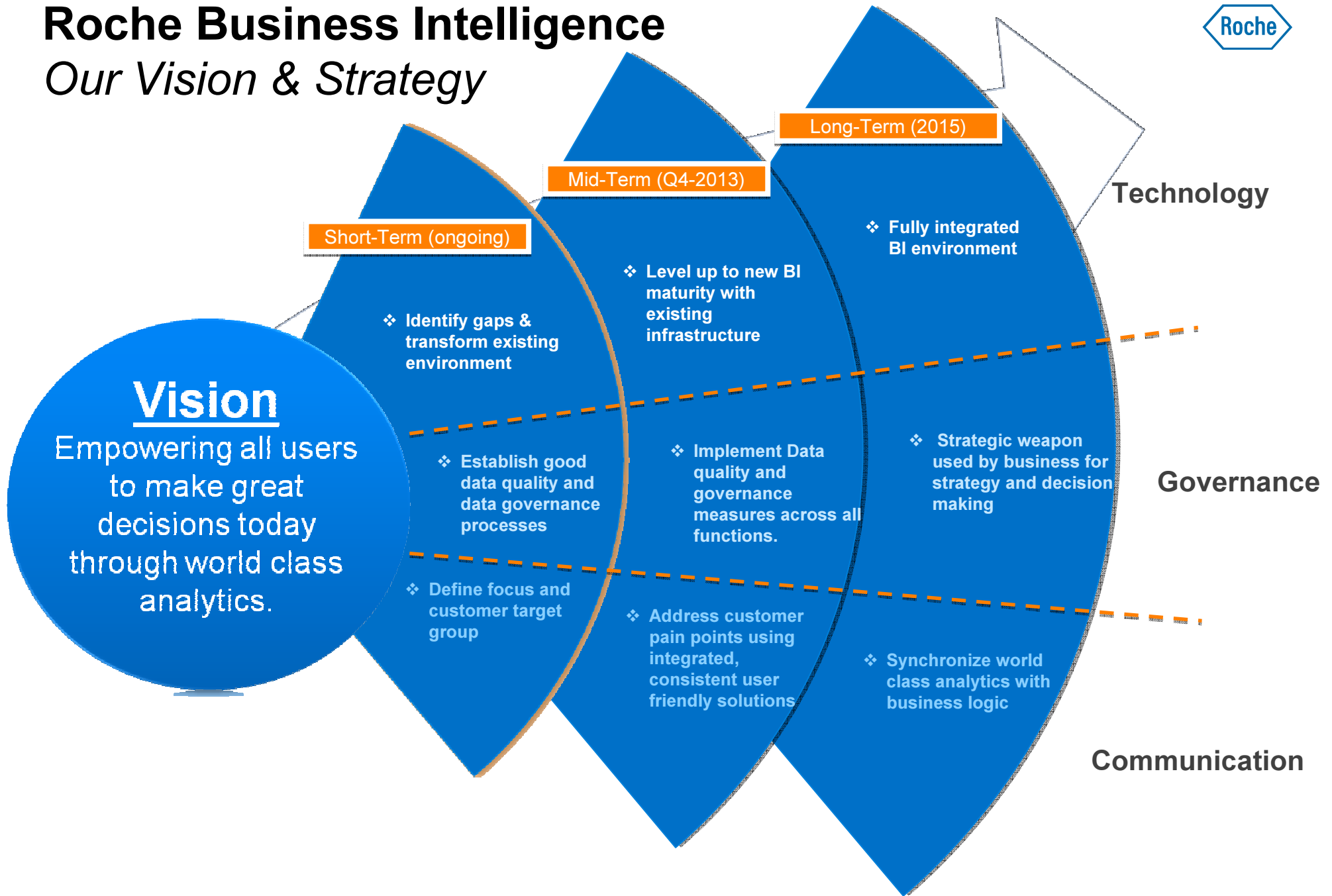
The first project with TM1

Lessons learnt and more projects



Roche Business Intelligence

Our Vision & Strategy



Roche DIA situation in 2011

- All Global Planning Solutions based in SAP:
 - SAP Integrated Planning
 - SAP Business Planning and Simulation

- Main pain-points:
 - Performance problems
 - Rigid technology
 - Highly complex solutions
 - Low end user satisfaction



1st Project Background

Sales Planning

Local Sales Planning at Diagnostics S&D Affiliates back in 2011:

- No global Sales Planning tool available
- Only a few big countries have dedicated planning resources and tools
- Current used tools often not user-friendly and cumbersome
- Sales Planning process not focused from a materiality perspective
- No guidance for inexperienced planners
- No support for Affiliates being short in resources

Therefore a new IT solution became necessary .

Project name: Best Practice Sales Planning

Summary of IT Features

... based on the business requirements

The selected tool / vendor must:

- 1 Handle typical standard planning requirements.
- 2 Handle complex planning requirements, heavy formulas, high data volume.
- 3 Provide «out-of-the-box» solutions for easily and fast coverage of requirements.
- 4 Be flexible to implement and enhance.
- 5 Be fully integrable into our existing SAP BI environment (CPM Integration).
- 6 **Ensure excellent performance.**
- 7 Ensure Roche DIA IT Architecture fit.
- 8 Ensure an adequate support for a company like Roche DIA.



Weighted Criteria Matrix

Roche Importance	Business Requirements	Group Criteria	IBM Tool Value	IBM Rate	BPC Tool Value	BPC Rate
4	Planning on different Planning Levels	Core functionality	5	20	4	16
4	Intuitive Logic for Planning Type selection	Core functionality	5	20	5	20
4	Enable a pre-calculated Planning Proposal Grid	Core functionality	5	20	5	20
4	Iterative analytics and planning	Core functionality	5	20	4	16
4	Flexible break-downs of data	Core functionality	5	20	4	16
4	Cross Currency Conversions	Core functionality	5	20	3	12
4	Parallel working avoiding unnecessary locking	Core functionality	5	20	4	16
7	Excellent performance	Performance	5	33	2	13
4	Flexible Grouping of Profit Centers	Special Features	4	16	2	8
3	Felixibility to add or enhance more planning types	Special Features	5	15	5	15
3	Version handling	Special Features	4	12	4	12
1	Offline Handling	Special Features	0	0	5	5
3	Simulation / What-if Scenarios	Special Features	4	12	3	9
3	Workflow & Track Status of Planning process	Special Features	4	12	4	12
3	Sandboxing	Special Features	5	15	0	0
4	User Interface should be intuitive and in Excel	User Interface	5	20	4	16
2	System shall allow easy data upload functionality	User Interface	4	8	4	8
3	Reporting on Planning Results	CPM Integration	4	12	4	12
3	Performance Management Reports	CPM Integration	4	12	4	12
3	Forecasting integration	CPM Integration	4	12	4	12
4	Enable Reference Data	CPM Integration	4	16	5	20
4	Implementation time as short as possible	Implementation	5	20	3	12
Average / Totals			4.36	355	3.73	282

Measure	Roche Importance	Tool Value
0	Null	Not available
1	Very Low	Very bad
2	Low	Bad
3	Medium	Fair
4	High	Good
5	Very High	High performer
7	Critical	-

Group Criteria	Num. Of Items	IBM Rate Total	IBM Weighted Total	BPC Rate Total	BPC Weighted Total
Core functionality	7	140	20	116	17
Performance	1	33	33	13	13
Special Features	7	82	12	61	9
User Interface	2	28	14	24	12
CPM Integration	4	52	13	56	14
Implementation	1	20	20	12	12
Totals	22	355	112	282	76

Calculation Logic

Rate = Roche Importance * Tool Value

Rate Total = Summarization of Rates per Group Criteria

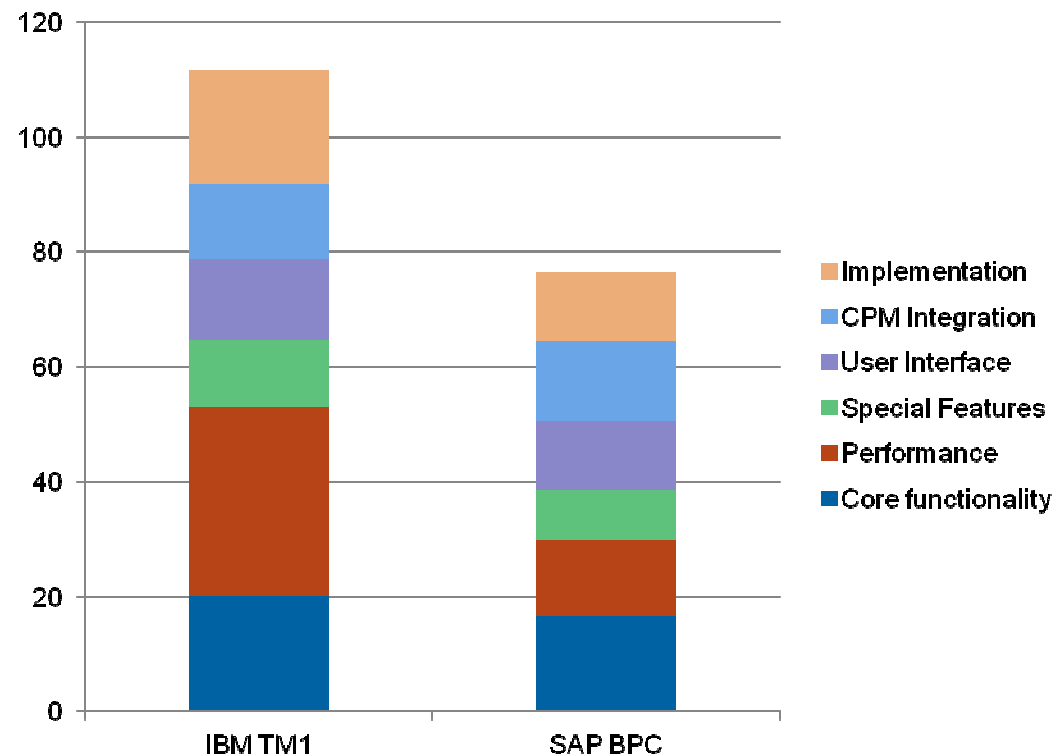
Weighted Total = Rate Total / Number of Items

Summary Benefits Analysis

Weighted Criteria Matrix : Graphical Results

- IBM TM1 scored higher in most criteria
- TM1 has better tools to enhance the End-User Interface
- TM1 has more out-of-the-box features to cover business requirements
- Both solutions will present challenges for CPM Integration
- Performance is expected to be remarkably better in TM1.
- **SAP will most likely run into performance issues.**
- SAP BPC installations tend to take double the time to implement
- **SAP will not be ready with a mature product in the next 2 to 3 years.**

Tools' Benefit Comparison



Conclusions

IT BI Recommendation

Select IBM TM1 as the planning tool for BPSP

-Do not take the risk of performance issues with SAP BPC

-Provide the End-user with a reliable, performant and low-training solution

-Focus our efforts on the BW / CPM integration instead of building features in SAP BPC.

- **Commitment from IBM to bring the best experts to integrate TM1 into our current landscape.**

-Possibly leverage other Roche DIA existing planning solutions in the near future; decrease the Total Cost of Ownership and increase the Return on Investment.

The vendor selection process

The first project with TM1

Lessons learnt and more projects

BPSP Sales - Major process steps

The overall process contains three major phases:



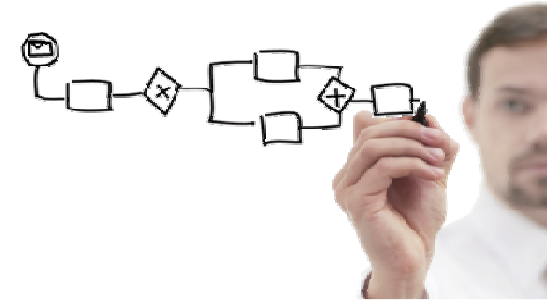
Target Distribution

The Target Distribution initiates the Annual Sales Planning Process by breaking down the Target Growth Target to PL3 (and PL4 optional).



Annual Sales Plan

Based on historical information, various planning types serve as a solid foundation for a bottom-up Sales Planning.



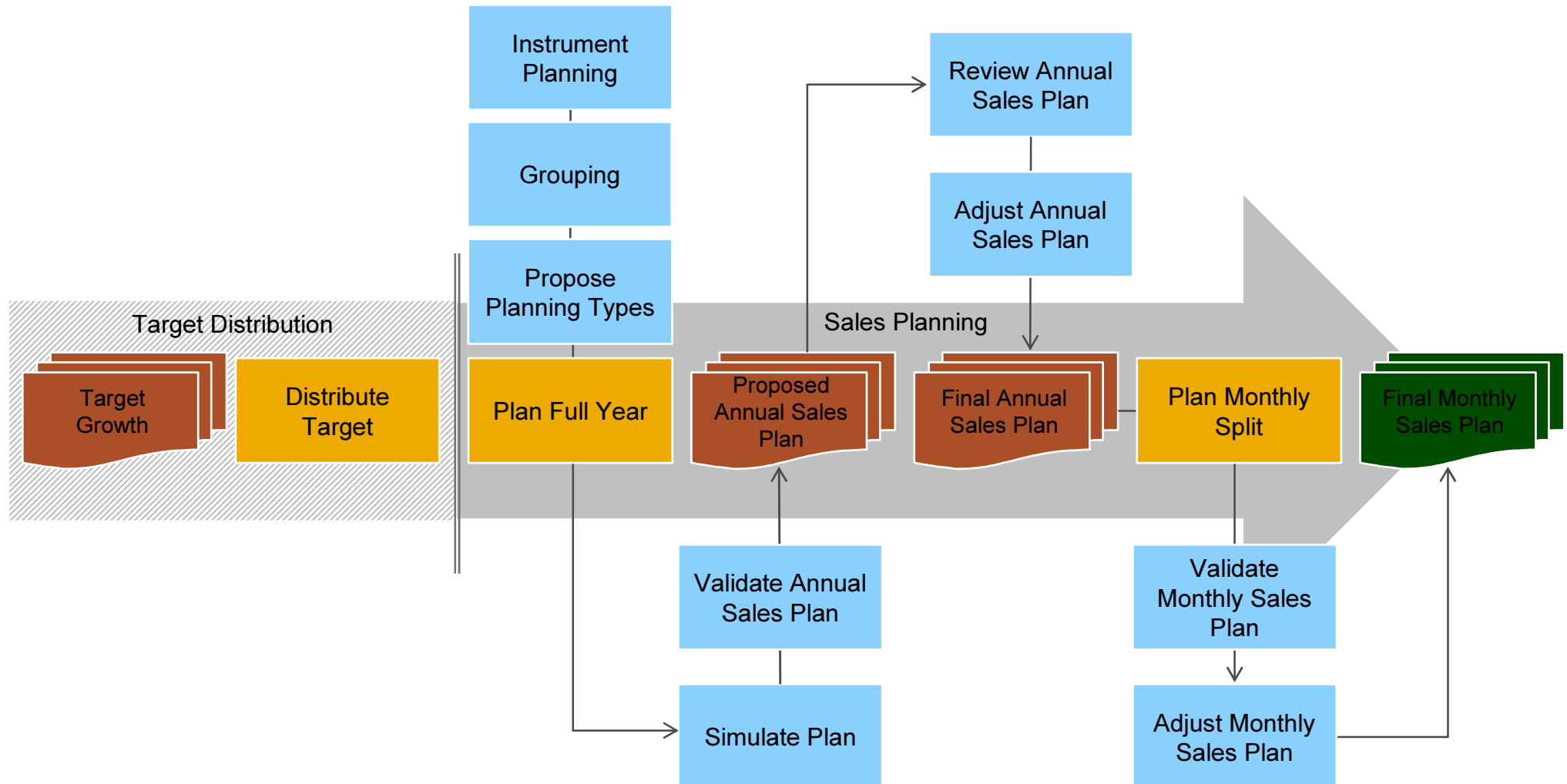
Monthly Sales Plan

Based on the committed Annual Sales Plan a more detailed break-down in monthly figures is derived. Validation against historical, as well as benchmark data makes for a robust plan.



BPSP Sales - Process Overview TP

Sales Planning breaks down the annual sales target to profit centers on a monthly basis. The plan is reviewed and validated against aspired growth targets and benchmark data.



BPSP Tool Preview



Best Practice in Sales Planning

Test Plan

1294 Roche Dia Austria

AT AUSTRIA



PD Professional Diagnostics



Save Sales Plan Versions and compare e.g. Best-, & worst cases

Adjustments

Monthly Split

IP Input

Overview

Profit Centre

PT Selection

Top-down and Bottom-up Planning types for every kind of business

Flexible selection of Planning Types on PL3, PL4, PL6 or individual PL6-Groups

Historical Reference data

Level	Zero	TopDown	Market Share	Delta Volume / Price	History	Delta Upride / Downside	Large ICB	IP Based	Open Input	PY Growth	GRAB						
PROFESSIONAL DIAGNOSTICS	BA												66,404,162	17,313,481	69,715,201	1,134,041	
LAB SOLUTIONS	BS												42,845,823	10,885,404	44,982,198	1,134,041	
CLINICAL CHEMISTRY	PL4												18,873,963	4,980,089	19,815,055	1,134,041	
													1,101,011	308,049	1,155,910	1,134,041	
													1,101,011	308,049	1,155,910	1,134,041	
													10,110,228	3,044,292	10,614,344	-	
													5,362,891	1,506,393	5,630,295	-	
													4,304,045	1,146,752	4,518,653	-	
													443,292	391,146	465,396	-	
													5,827,302	1,279,573	6,117,863	-	
													3,583,774	795,361	3,762,468	-	
													2,125,241	462,392	2,241,814	-	
														21,821	113,581	-	
														114,425	605,142	-	
														16,363	248,204	-	
														98,062	356,938	-	
														339,986		-	
														1,259,020	233,750	1,321,797	-
														1,259,020	233,750	1,321,797	-
IMMUNODIAGNOSTICS	PL4												23,539,375	5,833,238	24,713,094	-	
IM cobas e / Elecsys	PL5												23,382,199	5,816,319	24,548,081	-	
	PL6												23,108,364	5,613,359	24,260,592	-	
	PL6												273,835	202,960	287,489	-	
IM Impact	PL5												-	-	-	-	
	PL6	X											-	-	-	-	
	PL6	X											-	-	-	-	
IM Sys Support	PL5												157,176	16,920	165,013	-	
	PL6												157,176	16,920	165,013	-	
IT SOLUTIONS	PL4												119,133	26,043	125,073	-	

BPSP Highlights at a Glance

Flexibility through modular approach



Various Types of Sales Planning

Over 11 Planning types meets country-specific Planning approaches.



Historical Analysis

Analyze historical Sales Data for identifying trends and validating Sales Plans.



Performance

Newest In-memory technology proved faster and more flexible Sales Planning.



Version Handling

Integrated Document Management system to retain the clarity over all Sales Plans.



Planning by Territory

Break down Planning responsibilities to BA, Region or Sales Team levels.



Validation & Review Reports

Create individual reports for Sales Plan comparisons and Review sessions.



Individual Grouping of PL6

Create own planning-friendly Product hierarchies according to specific local needs.



Transparent Documentation

Assumptions, exceptions or just comments helps to understand Sales growth factors.

Some figures:

- **1st Phase:**

- External consultancy: 300 man-days effort
- Project duration: 13 months
- End Users: 150
- Countries: 7

- **2nd Phase:**

- External consultancy: 450 man-days effort
- Project duration: 10 months
- End Users: +200
- Countries: +16

The vendor selection process

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Lessons learnt and more projects

Lessons learnt

- Initial effort estimations always tend to fall too short
- Integration effort into Roche IT Landscape was underestimated
- Reserve time for fine tuning the solution

TM1 is an open box, very powerful and flexible,
when correctly modelled,
one can achieve great results in short time-frames.

Current Planning Projects



BPSP

Best Practice Sales Planning
Phase III



Business Plan



LifeCycle Simulator



BPSP for Finance

CoGS / CapEx / CC / Period Costs / P&L

Note: Iconography not official yet.



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