IBM Performance 2011

Ferring Pharmaceuticals

Corporate Performance Management

Marco Zevenboom
VP Finance & Controlling

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Ferring at a glance

- Ferring was **founded in Sweden in 1950 by Dr. Frederik Paulsen**
- **Headquarters**: Saint-Prex, Switzerland
- **Production sites** in 9 countries: Germany, Switzerland, Denmark, Czech republic, Israel, Argentina, China, Mexico and Scotland
- **R&D Centers** in 7 countries: Denmark, Israel, USA, Switzerland, India, Japan and Scotland
- **Employees**: 4'300
- **Locations**: > 50 countries
- **Sales 2010**: EUR 1'1 bio
- **Growth**: Double-digit average annual growth rate over the last two decades

Ferring Pharmaceuticals

- Ferring Pharmaceuticals is a research-driven pharmaceutical company devoted to identifying, developing and marketing innovative products in the fields of female healtcare (infertility, obstetrics) urology, gastroenterology, endocrinology and osteoarthritis.

- From its origins as a Scandinavian company, Ferring has developed into an global business with operating units in all important pharmaceutical markets around the world.

Ferring Pharmaceuticals

- Ferring's marketing, medical services and sales teams, led by corporate headquarters in Saint-Prex, Switzerland, operate from more than 50 countries and employ over 2500 people throughout the world, while treatments are available in more than 100 countries.

- This geographical expansion as well as succesfull lifecycle management has allowed Ferring to maintain a double digit annual growth rate over the last two decades.

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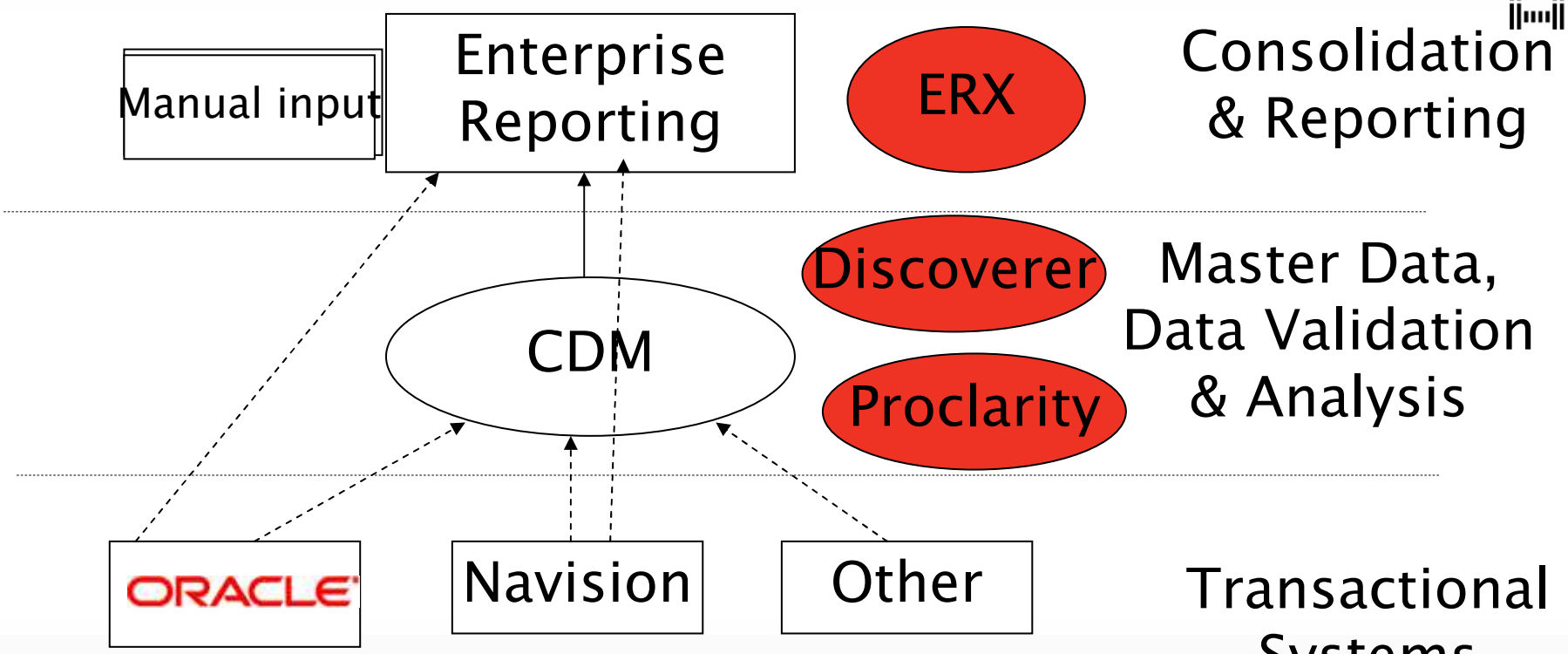
From where did we start



- ER is no longer supported by the vendor
- CDM Analysis tools are outdated and lack functionality.
- Data entry and validation occurs too late and too error prone.
- Budgeting and Forecasting are not efficiently supported
- Limited BI functionality with easy access and reporting for a large user community

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What did we try to accomplish? (Finance)

- Replace ER (not supported in the future)
- Improve interface with source systems
- Improve budgeting and forecasting functionality
- Improve analysis & query functionality
- Improve reporting functionality
- Combine Financial Consolidation, Budgeting & Forecasting, Analysis & Reporting in one tool (based on cross functional datamodel)

What did we try to accomplish? (Global Marketing)

- CPM Project should provide GMO / commercial operations with:
  - Reliable, robust, granular data
  - A versatile, accessible tool (set of tools) allowing to perform various types of analysis, simulation, forecasting at all levels according to business needs, now and in the future, without a need to rebuild the system; and supporting seamless cross-functional communication and cooperation

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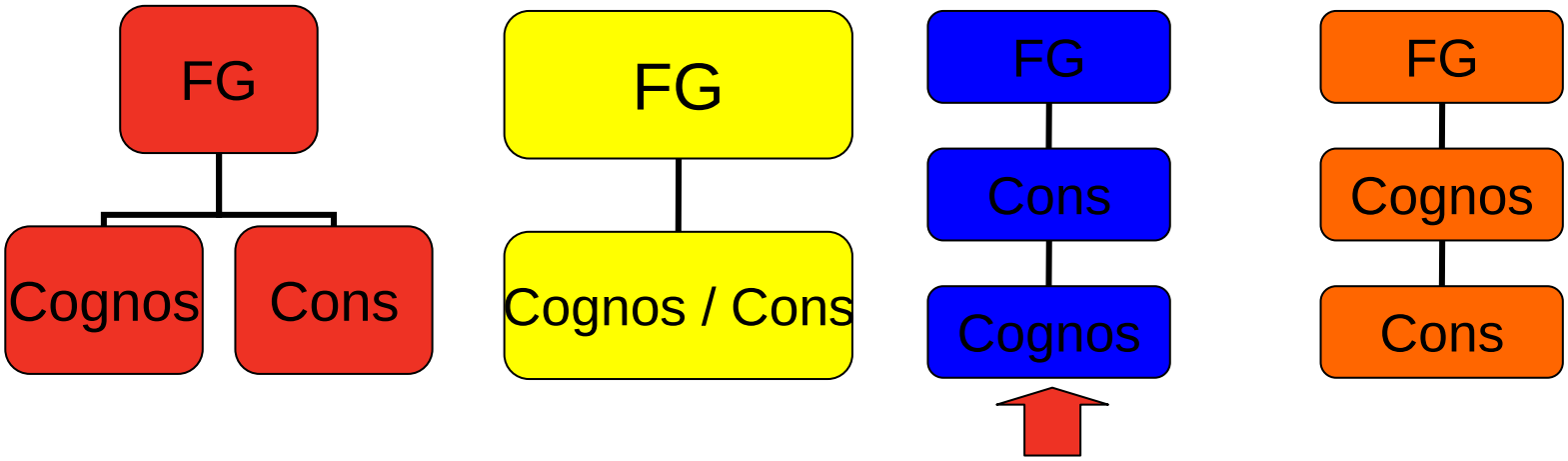
Tool Selection (Q4 2007 / Q1 2008)

- 4 vendors shortlisted (RFP phase)
  - Cognos (IBM)
  - Business Objects (SAP)
  - Hyperion (Oracle)
  - Perf. Point Server (Microsoft)

- 2 vendors in proof-of-concept phase
  - Cognos (IBM)
  - Business Objects (SAP)

- Cognos / IBM was selected
  - Best overall coverage of functionality, service, price
  - Less risk on application roadmap
  - Best integration between modules.

Implementation partner selection & concept



- Business & Decision (B&D) has been selected as the implementation partner
- We contracted B&D for the full implementation project and Cognos / IBM was (sub)contracted by B&D
  - Clear responsibilty
  - Less risk of Ferring being in between 2 parties
  - Implementation team is key success factor

The right approach for a global program

- Business&Decision contribution

Phase	B&D Contribution
Project 0	• Assistance in defining common structures
RFP for product selection	• Writing of the RFP • Support in tool selection process
Scoping	• High-level business requirements gathering • Definition of the architecture (first-day and long-term) • Project quotation • High-level planning for entire program
Phase 1: Financial Consolidation	• Project Management (including Ferring ressources and third parties) • Detailed analysis • Design • Delivery • Support & Maintenance
Phase 2: Planning	• Project Management (including Ferring ressources and third parties) • Design • Delivery • Support & Maintenance
Phase 3: Business Intelligence	• Design • Delivery

The right approach for a global program

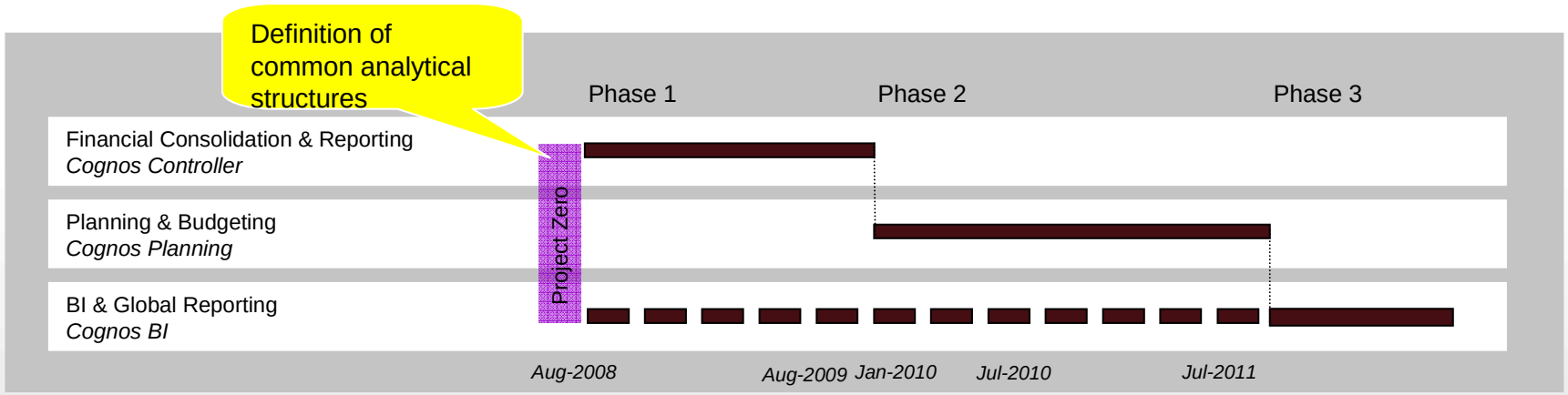
- Ferring selected IBM - Cognos as main Software provider

Cognos. software

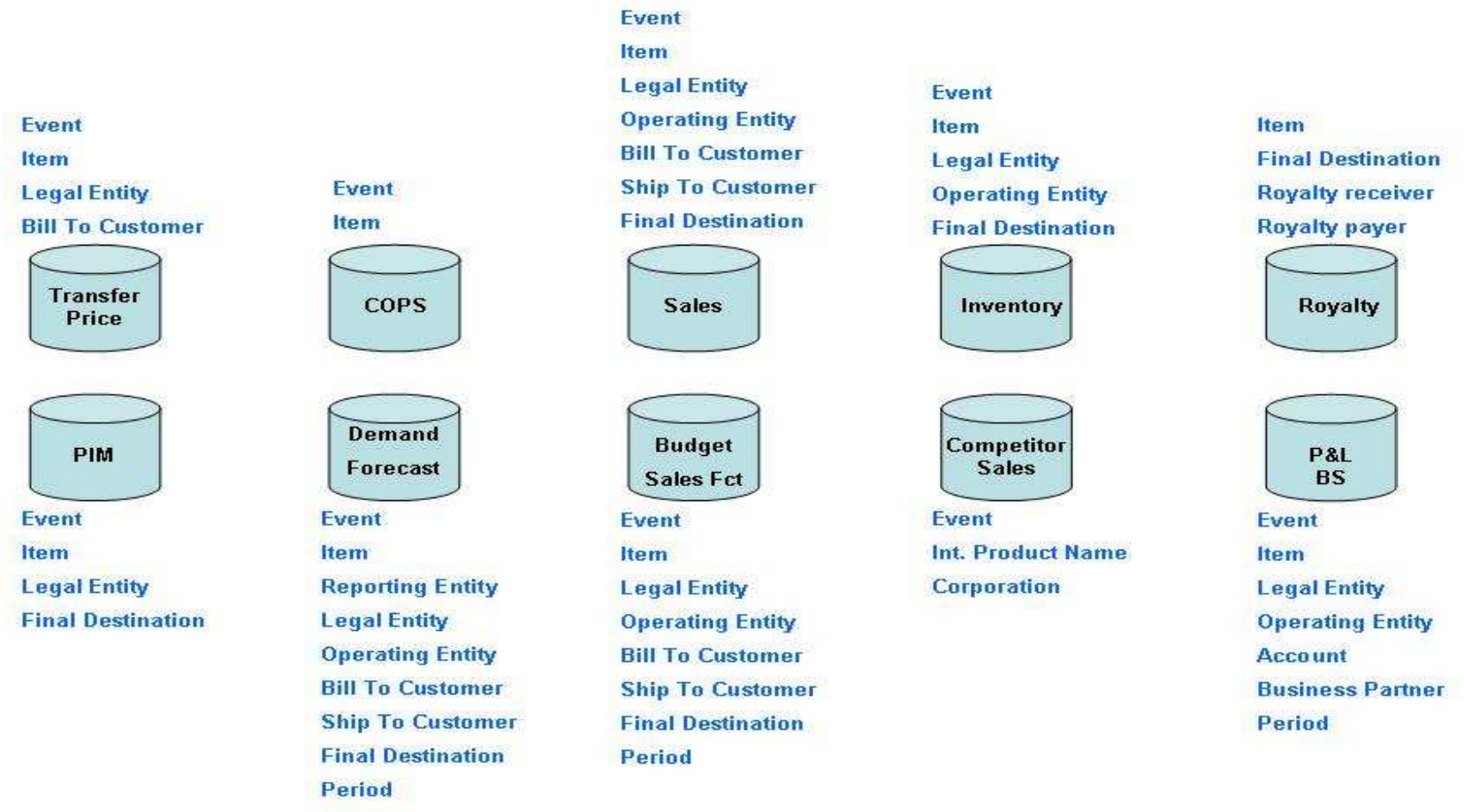
Function	Package
Financial consolidaton	Cognos Controller
Planning	Cognos Planning
Business Intelligence	Cognos BI

The right approach for a global program

- The overall CPM project is split in 3 phases:
  - Project zero: Define dimensional structure covering needs in the future (2008)
  - Phase I: Financial Consolidation & Reporting (live: M
  - Phase II: Planning (live: Sep 2010)
  - Phase III: BI & Global reporting (partially live)



Starting point for Project zero (= end product INS)



Project Zero – the foundation

Objectives

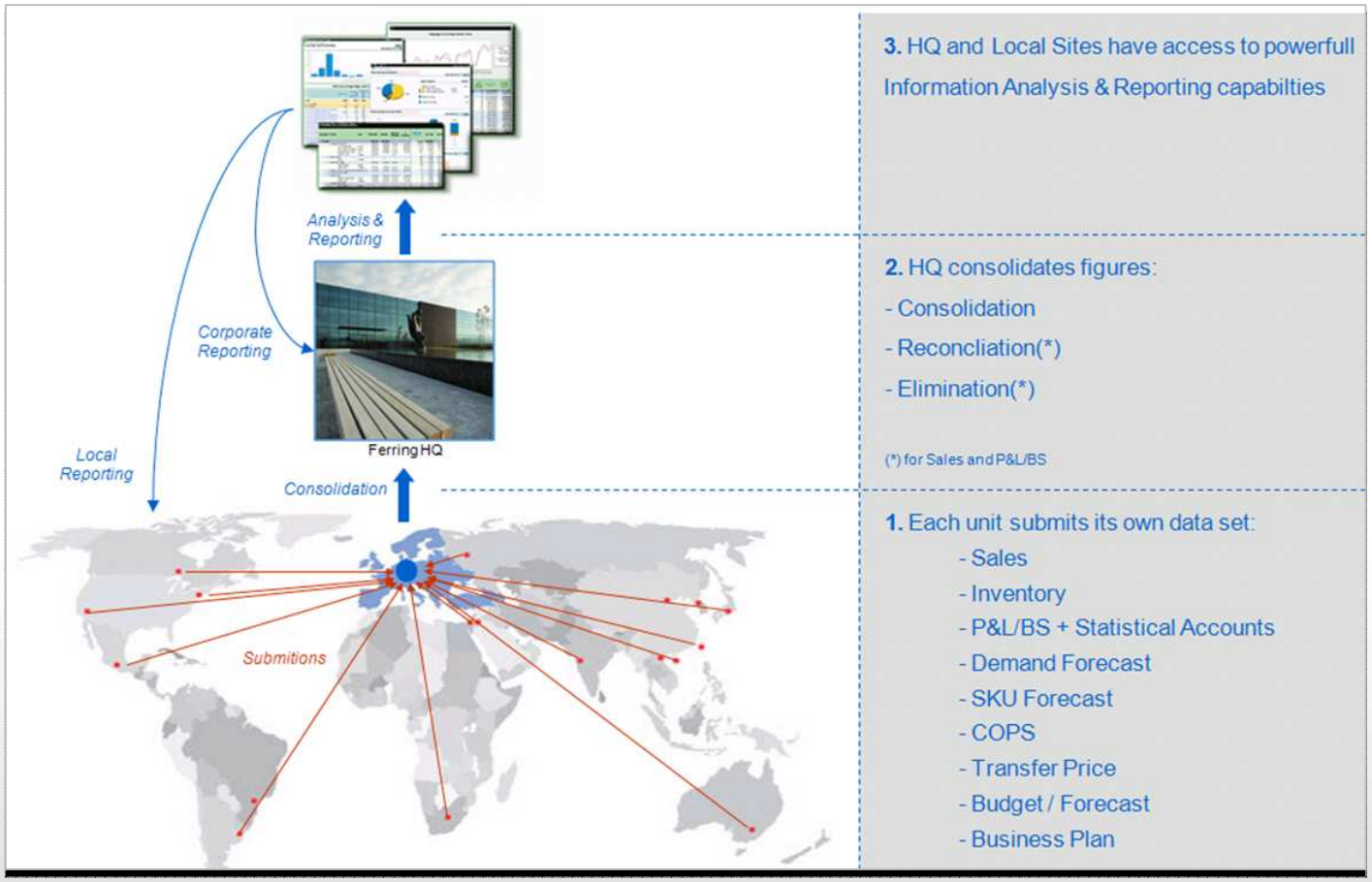
- Recommend an efficient dimensional structure (business data model) for source systems and CPM
- Recommend solution for efficient data validation before feeding CPM

Deliverables

- Dimensional structure for data collection and the related dimension members and tree structure
- Summary of relationship between dimensions
- Recommendation of how to organise data validation

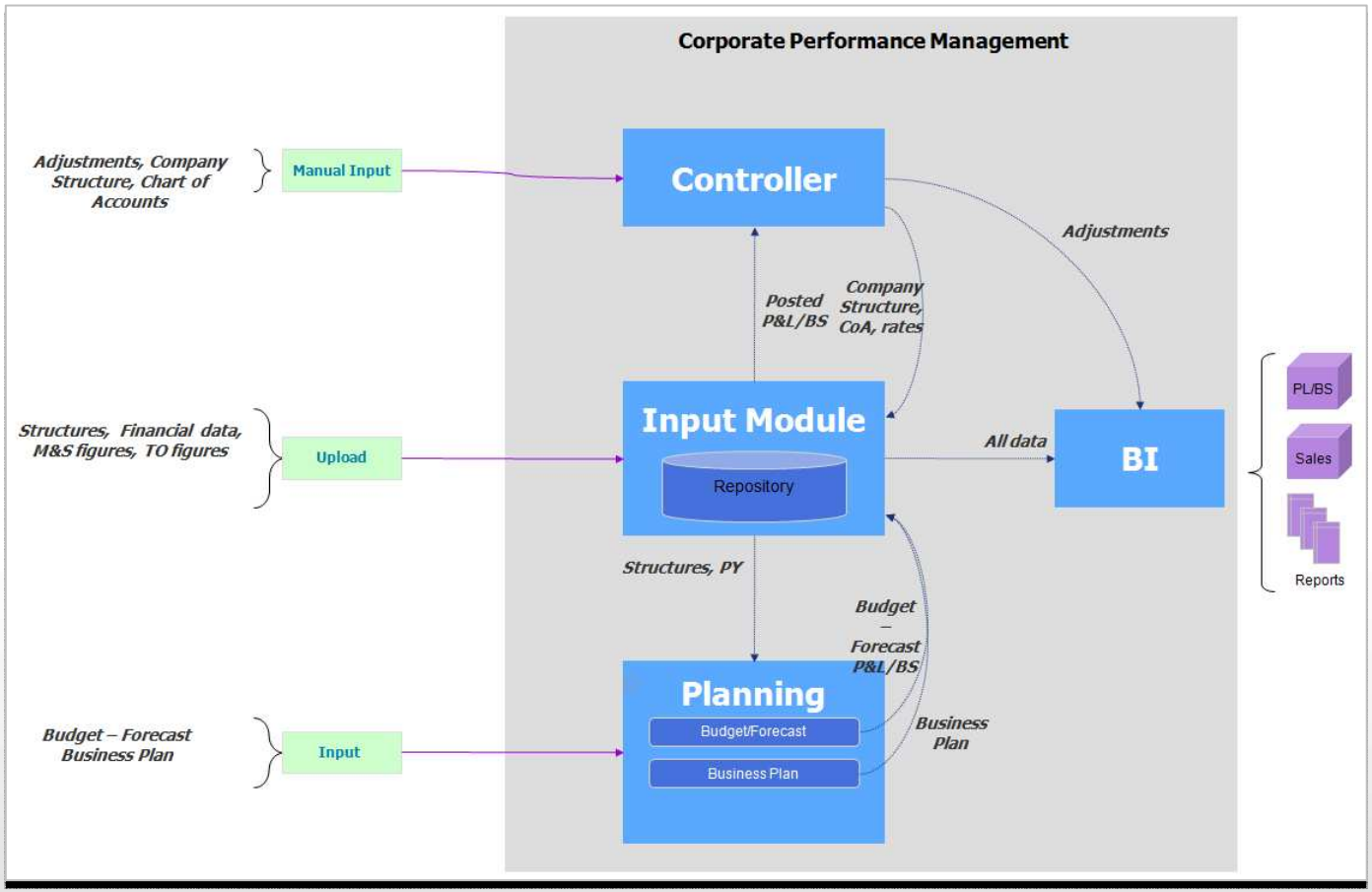
The right approach for a global program

- A Standard Business Process



The right approach for a global program

- Solution & Data Flows



FERRING PHARMACEUTICALS

Business & Decision

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Evaluation of result against objectives (Finance)

Replace ER (not supported in the future)	Cognos is supported application through a solid partner (IBM)
Improve interface with source systems	Much better automation and validation, but not through Cognos, but in-house tool (DIMA)
Improve budgeting and forecasting functionality	So far limited improvements, Cognos Planning not so efficient (version 8.3)
Improve analysis & query functionality	Big improvement with Cognos BI (Query Studio)
Improve reporting functionality	Big improvement with Cognos BI (Report Studio)
Combine Financial Consolidation, Budgeting & Forecasting, Analysis & Reporting in one tool (based on cross functional datamodel)	We have developed the cross functional datamodel (Project Zero), but the (technical) integration between the Cognos applications is poor





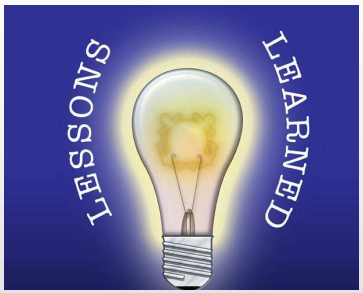
Evaluation of result against objectives (Global Marketing)

- CPM Project should provide GMO / commercial operations with:
  - Reliable, robust, granular data
  - A versatile, accessible tool (set of tools) allowing to perform various types of analysis, simulation, forecasting at all levels according to business needs,

- With Cognos BI there is a much better basis for this: sales by item, business unit, customer, legal entity and invoice currency accessible through Cognos BI application (Query studio, Report studio), but simulation functionality not yet where its should be

Lessons learned

- Do not under estimate historical data migration effort when moving to new structures
- Put more emphasize in the proof-of-concept phase with the last 2 software candidates
- Rethink & simplify processes if historical ways of doing things lead to exceptions
- Don’t try to be too detailed on user requirements as long as you don’t know the tool to be used
- Selection of project team members – ensure enough resources
- Ensure right level of information with local sites
- Keep flexibility



What's next

- ✓Analyze future planning process and find right tool for that

➢Business Driver model (per function)	➢Prepopulation
➢Local cost center level	➢Parametering
➢Approval flow	➢What if analysis
➢Status tracking	➢Scenario analysis

- ✓Harvest from investment by increasing user community and enhancing reporting and simulation
- ✓Enrichment with external data

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