

“The complexity of SAP systems and the difficulties in training users are extremely exaggerated. SAP is no more complicated than any other powerful ERP-system – may it be a ready-made package or a special program. The key issue is merely that of efficient organization of employee training. But by using SAP you will get round the difficulties with employee rotation. The labor market will always offer SAP specialists with fair expertise in SAP. They don't need to be taught to deal with exotic systems – they are ready to get down to work.”

Pavel Solovey  
– Logistics Director, AstraZeneca



### A Short Overview

#### Company name

AstraZeneca Pharmaceuticals LLC

#### Location

Russia, Moscow

#### Industry

Pharmaceutics

#### Products/Services

Russian branch of AstraZeneca concern

#### Web Site

<http://www.astrazeneca.ru/>

#### IT landscape

System implementation from the scratch

#### Objectives

Implementation of a corporate ERP system;  
Deployment of business processes that respond to the corporate standards;  
Integration of implemented modules with corporate IT systems

#### Implementation partner

European Business Services (EBS – Internal AZ subdivision)  
ALPE Consulting

#### SAP solutions and services used:

- Financial Accounting (FI) module
- Materials Management (MM) module
- Sales and Distribution (SD) module
- Tool Manufacturing (PP) module
- ALPE Consulting's Services: installation, implementation and after go-live support of the Russian Financial Accounting module

#### Why SAP

The corporate ERP business model standard was rolled out for the Russian branch companies with similar business processes.

#### Implementation highlights

- A large number of external systems demanding integration with SAP;
- Rigorous requirements of Russian accounting legislation

#### Result

- Consolidated reporting in accordance with the corporate standards and the Russian legislation is obtained;
- Single logistics modules, chart of accounts can be easily got;
- The software answering to all the existing and predictable company's needs is developed.

#### Technical basis

Number users: (30 +)

## AstraZeneca Pharmaceuticals LLC

From the very beginning AstraZeneca Pharmaceuticals LLC intended to implement an information system capable of integrating the local company's business processes with the headquarters and of getting an efficient information base for business administration in the situation of its further development. The company is growing by 20-25% annually, the range of products is being expanded, the number of employees is increasing, and new business directions are being launched and planned. Among the other reasons for choosing SAP was the reason that this system meets both existing and predicted company's needs.

### About the Customer

AstraZeneca is one of the world's leading pharmaceutical manufacturers; it is represented in more than 110 countries. It provides innovative medical products in the fields of oncology, gastroenterology, pulmonology, cardiology. From 2004 to 2006 sales of AZ in Russia increased from 30 to 107 million dollars, and the company faced the necessity of establishing its own Russian legal entity for ensuring permanent presence in the Russian market. Thus in the middle of 2007 the company established AstraZeneca Pharmaceuticals LLC which has been actively working and growing since then. The SAP-based information system considerably contributes to this growth.

### Initial Situation

No information system at all; the system was to be launched from the scratch; the system was to be filled up with initial data in order to be fully started.

### The tasks were to:

- implement an SAP-based business model integrated with that of the headquarter;
- get consolidated reporting in accordance with corporate standards;
- get a powerful information system for business administration;
- integrate SAP modules with external systems.

### The Choice between Solutions

In order to optimize information processing and consolidating as well as to run business more effectively, AstraZeneca's management decided to implement SAP that was used as the AstraZeneca corporate standard in many other countries. The system was to be implemented with the SAP add-on for Russia.

#### Pavel Solovey, Logistics Director:

*"It's hard to imagine how the implementation of SAP could be carried out solely by foreign specialists. One just could not do without involving Russian consultants that specialize in Russian accounting because of the responsibility and complexity of this sphere."*

ALPE Consulting was chosen as a service provider because it has acquired vast experience in implementing solutions for large international customers, it can meet the requirements set for the expertise and qualification of the specialists and, finally, it can guarantee the high quality of the set tasks fulfillment within the endorsed budget.

Another competitive advantage of ALPE Consulting was its experience in integrating SAP with external systems, which is a noteworthy detail in the current situation. ALPE Consulting's experts permanently work with different countries' companies that have at least one respective external system. Due to this fact the

company has gained the experience in rapid interface development for transferring data of different format both from and to SAP.

### Implementation

The implementation was fulfilled in two six-month stages. By the end of the first six months a fully functional system was launched, and the company started conducting its sales without any restrictions. During the second stage, additional forms/reports and the secondary business processes were added and worked further on.

Corporate business model rollout needs to be adapted to the country's local specific features in order to take into account the following:

1. unique business requirements;
2. conceptual restriction imposed by the previous implementations (as one cannot violate certain conceptual conditions that already exist within the other company's subdivisions)
3. differences in legal regulations

An important feature of any rollout project is the possibility to maintain two accounting systems: the first one is corporate accounting in accordance with IFRS or GAAP principles, i.e. the accounting system of the overseas headquarters, and the second one is Russian accounting (RAS, Russian Accounting Standards). The most important aspect covering all rollout projects is chart of accounts mapping, because every company has its own business features, legislative restrictions, internal documentation, and these features are likely to differ depending on the company.

Chart of accounts mapping, i.e. the adaptation of international chart of accounts to the Russian one, is a very important step within first stage of

rollout implementation. It is a very laborious and complex task that is crucial for the future success of whole project.

The experience in rollout projects of ALPE Consulting made it possible to work out a methodology shortening the mapping time at least twofold. Thus ALPE Consulting is granted a considerable advantage over the companies lacking such experience. After a number of rollout projects, ALPE Consulting's experts have worked out a clear realization pattern for the whole project. The pattern rules out unnecessary steps and helps to shorten the time of implementation.

ALPE Consulting's experts have been developing optimal interaction patterns for all positions, have been realizing and testing them in accordance with the needs of any end-user.

### Results

The following modules were implemented:

- Financial Accounting (FI Module);
- Materials Management (MM Module);
- Sales and Distribution (SD Module);
- Production Planning (PP Module) – it is not used at the moment, but it is completely set up and tested.
- The company obtained its consolidated reporting in accordance with the corporate reporting standards of the mother company and with the standards set by the Russian legislation (during the first and the second stages of the SAP setup process, 53 and 41 output forms respectively were worked out or considerably modified).
- A significant number of external systems were integrated with SAP modules.

The project is permanently developing.

## About ALPE Consulting

ALPE Consulting was established in 2006. ALPE Consulting's specialists have a vast, up to ten years' (and more) experience in SAP.

The offices are located in Moscow and St. Petersburg.

A large number of international and Russian projects in different industries have been successfully realized.

ALPE Consulting is an SAP Silver Channel Partner.

### Competencies:

- SAP ERP (FI/CO/MM/SD/PP/ PS/QM/HR)
- SAP All-In-One Baseline (Prepackaged Solution)
- SAP IS Retail All-In-One (Prepackaged Solution)
- SAP Russian Add-on (Roll-out Projects)

More than 50 highly qualified consultants certified by SAP

SAP implementation experience: manufacturing, financials, warehouse accounting, sales and distribution, budgeting, employee administration, customer relationship management

Expertise in the following industries: FMCG, cosmetics, chemicals, retail, pharmaceuticals, automotive, consulting services, transportation and logistics, and others

The company specializes in working with international companies running business in Russia and other CIS countries as well as with Russian companies running business in Russia and abroad.

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