Abbott's SAP Story
The beginning of our journey….

Our Story

Abbott Overview

Who We Were

How the Journey Began

Finding the Silver Lining

The Program

Staying the Course

Where do we go from here?

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Evolving Portfolio of Growth Business

Company Facts

- **Founded in 1888, Dr. Wallace C. Abbott**
- **Chairman & CEO – Miles White**
- **$22 Billion Net Sales across 150 countries**
- **70,000 employees**

Sales Geography

- **~38%** **Emerging Markets**
- **~30%** **United States**
- **~32%** **Ex – U.S. Developed World**

Nutrition

- 6.5 B Sales
- #1 in Adult Nutrition
- #1 in U.S. Pediatric

Diagnostics

- 4.3 B Sales
- #1 in Immunoassay Diagnostics
- #1 in Blood Screening
- Leading Point of Care Platform

Medical Devices

- 5.5 B Sales
- #1 in Drug eluding stent, metal stent
- #1 in LASIK
- #2 in Cataract

Established Pharmaceuticals

- 5.1 B in Sales
- 60% Emerging Markets
- $630M Market
- #1 Klacid, Creon, Duphason

* 2012 Sales

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Who We Were
Business Dynamics & System Landscape

Order to Invoice

12,000 orders/day

50% electronic

10 systems (inc mainframe)

New Product Setup

37 days

15 departments

Manual

5700 users/14,000 SAP roles

4TB data/ 62MB never archived

No Global Chart of Accounts

857+ direct interfaces

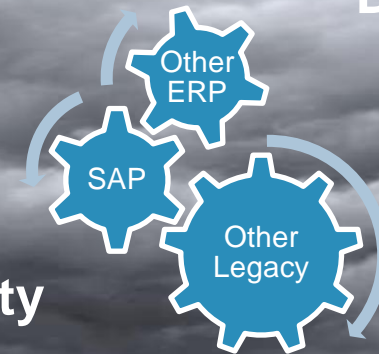156 direct/250+ indirect legacy systems

Analytical Tool – Excel extracts

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How did our journey begin?

Fragmented processes

Discontinuing SAP Support

Unstable

Lack of scalability

Inefficient deployments

Other ERP
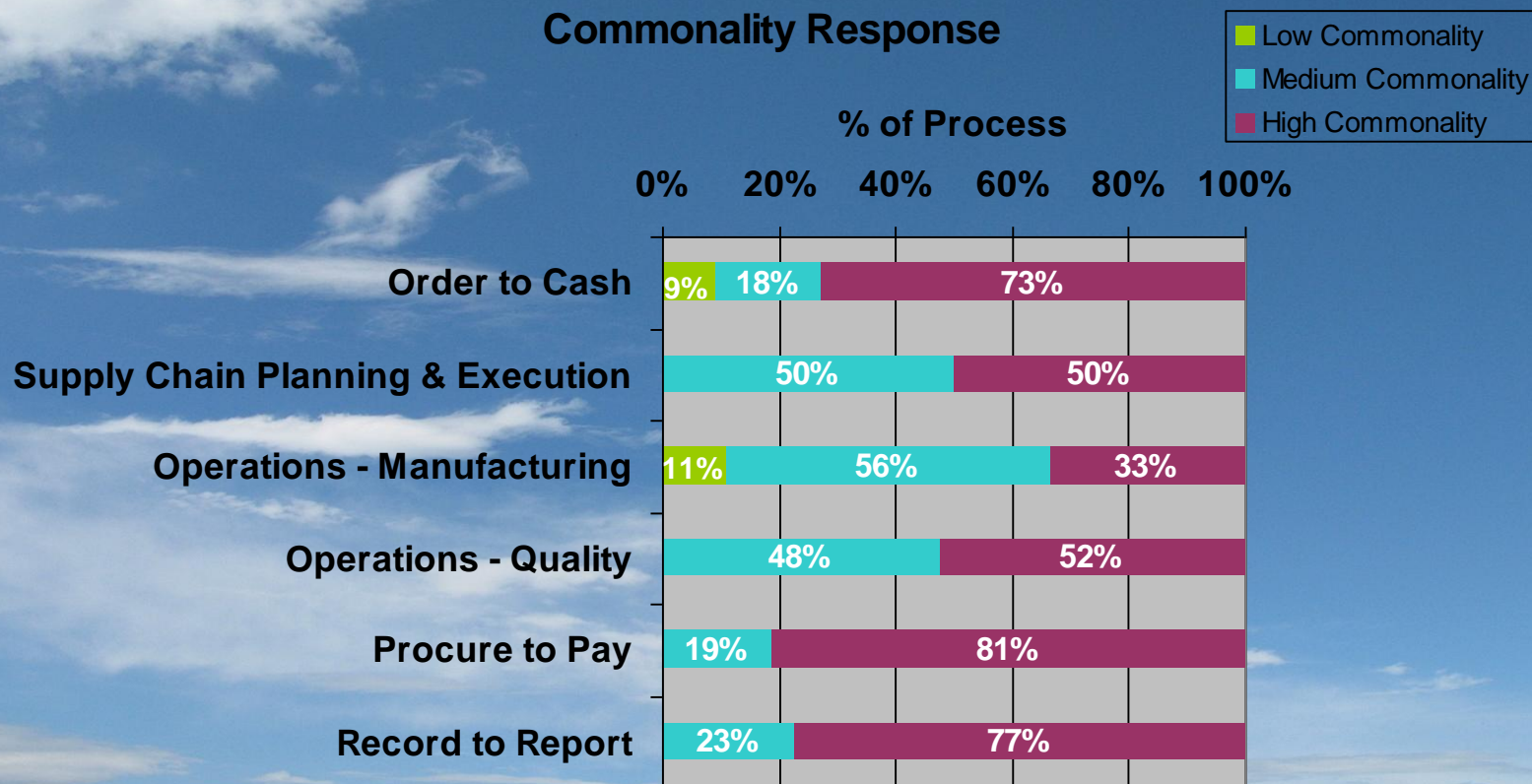
SAP

Other Legacy

ERP Landscape Drivers

External Drivers (Y2K)

Mergers & Acquisitions

Focus on Divisional needs

Overdue Upgrades

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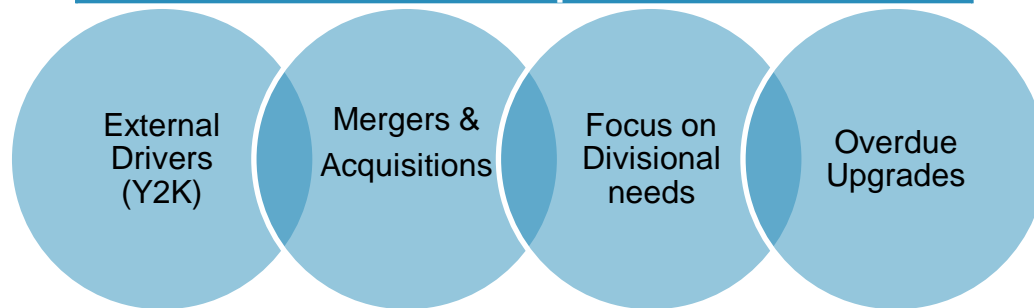
Finding the silver lining

Opportunity for introspection and reinvention

Commonality Response

	Low Commonality
	Medium Commonality
	High Commonality

% of Process

0%   20%   40%   60%   80%   100%

Order to Cash — 9% | 18% | 73%

Supply Chain Planning & Execution — 50% | 50%

Operations - Manufacturing — 11% | 56% | 33%

Operations - Quality — 48% | 52%

Procure to Pay — 19% | 81%

Record to Report — 23% | 77%

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The Program….foundation to sustain existing business imperatives

Largest IT investment in Abbott

Scope

- ECC
- SRM
- eWM
- Cognos
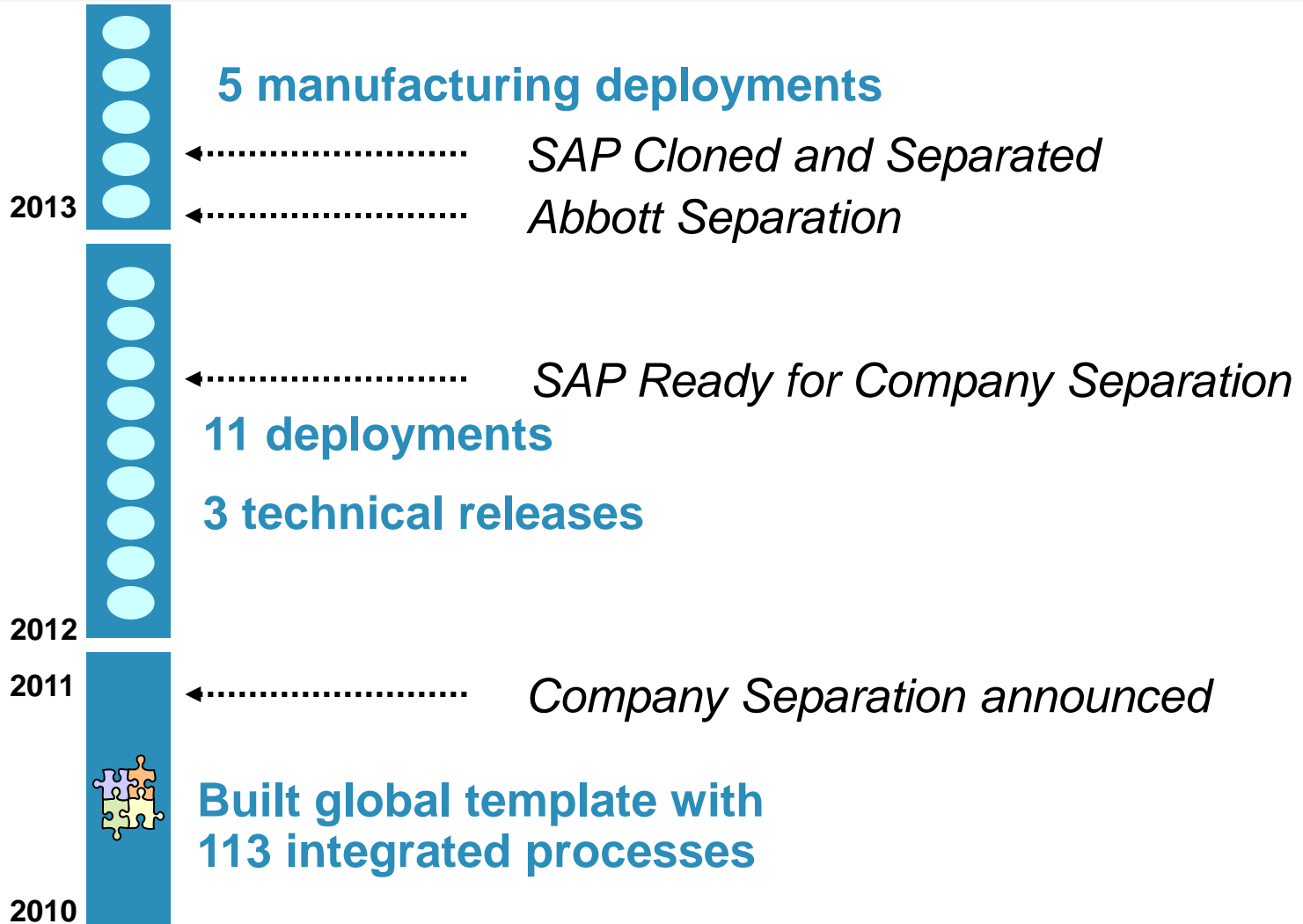- Vistex
- Vertex
- cApps (Master Data)
- TIBCO

By the Numbers…

- ~ 300 + Program (Business, IT, Consultants) plus offshore resources
- ~ 500 Global subject matter experts
- 8000+ Current end users
- 12 Divisions/corporate functions
- 17 Geographic locations

How We Did It

- Clear Governance
- Strong supplier partnerships
- Key operating decisions/guiding principles
- Weekly program/monthly executive leadership meetings
- Team Co-Location
- Dedicated change management
- Command centers for Go-Lives
- Expanded cafeteria services
- Stay calm, be nice

Staying the course…Adjusting for curves

5 manufacturing deployments

SAP Cloned and Separated

Abbott Separation

2013

SAP Ready for Company Separation

11 deployments

3 technical releases

2012

2011

Company Separation announced

Built global template with 113 integrated processes

2010

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Staying the course…Benefits

- **Scale and agility driven by foundational design**

- **Ability to execute and accommodate M&A**

- **Commonality of business operations**

- **Support large scale business transformation**

- **Future leverage to optimize assets / grow top line**

- **Retire redundant legacy landscape**

Where do we go from here…Go fast

- *Ability to execute, stabilize and standardize existing business*

- *New level of business leadership to enable business transformation*

- *Simplification and process adoption*

FUNDAMENTALS

Business Decision-Making

Focus on Business Operating Model

Broadest scope of SAP

Methodology & Logistics

Risk Management

Data, Data, Data

Landscape Management

"Eco-system" of SAP – Integration and BI

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