

CASE STUDY | ASTELLAS

Driving sustainable enterprise value through Supplier Collaboration & Innovation

VISION & MISSION

As one of the world's largest pharmaceutical companies, Astellas Pharma's vision is to "contribute toward improving the health of people around the world through the provision of innovative and reliable pharmaceutical products."

Their mission? Sustainable enhancement of enterprise value;

- Astellas will seek to enhance its enterprise value in a sustainable manner,
- Astellas will seek to be the company of choice among all its stakeholders, including its customers, shareholders, employees, and the global community,
- Astellas will strive to gain the trust of all stakeholders and thereby enhance its enterprise value.

CHALLENGE

In 2017, Astellas procurement was operating as a decentralised function, acting locally and tactically, undermining its ability to completely fulfil these goals.

After undertaking a global procurement transformation project, which has seen it embrace

Astellas's
3 key goals:

**GAIN GLOBAL VISIBILITY
OF STRATEGIC &
PREFERRED SUPPLIERS**

**LEVERAGE INNOVATION
FROM INCUMBENT
SUPPLY BASE**

**EMBED SCALABILITY TO
LAY THE FOUNDATIONS
FOR FUTURE COLLABORATION
& INNOVATION**



"The Vizibl team has been incredibly supportive throughout the relationship. From implementation and training, to their train the trainer enablement, the Vizibl team was very responsive, helping us to problem solve and 'think outside of the box.'"

Sebastiaan Hillenga
Director Global Supplier
Governance & Innovation Lead
Astellas

the benefits of both global oversight and local knowledge, Astellas has transitioned to a centralised procurement function with global-level category management and a procurement excellence department, supplemented with local vendor management teams in key categories.

Astellas's procurement function strives to be a trusted business partner at all levels of the organisation, to influence critical business decisions, and ensure value is created in a sustainable manner.

With centralisation comes the challenge of uniting all teams under one strategy. The procurement team was challenged with managing the global pharmaceutical giant's suppliers more strategically, facilitating the management of certain suppliers at the corporate level, and more effectively monitoring supplier interactions to bring more strategic value into the business.

Given that a key tenet of Astellas' mission is to drive further innovation for patients whilst protecting their safety, the function was also tasked with sourcing innovation from the supply base, and digitising the supplier innovation process with the Vizibl tool.

In order to achieve these goals, Astellas needed to facilitate effective change management within the procurement function in order to promote a new mindset.

It also needed a demonstrably valuable solution that promotes visibility over the supply base, reduces the time spent on manual work, embeds robust, standardised processes at the heart of the buying function, and ensures scalability to lay the foundations for future developments.

SOLUTION

Supplier segmentation

The team at Astellas began their efforts to drive more effective supplier management by segmenting their supply base to determine which cohort would be deemed strategic and preferred suppliers.

By starting with these high risk, high spend, high criticality suppliers, they could ensure that any improvements were being applied where they would give the most return on investment at the beginning of the process, allowing them to prove value before scaling.

The initial group consisted of 70 key suppliers who were onboarded onto the Vizibl platform which provides a combination of Supplier Relationship Management, Supplier Collaboration Management, and Supplier Innovation Management functionality – a powerful combination which enables Astellas to not only drive visibility and robust governance today, but which provides the infrastructure for future collaboration, innovation and sustainability efforts.

Securing the mandate

In addition to driving the highest return on investment at the beginning of the process, this 'start small, then scale' approach was key to securing the sponsorship of senior leadership.

This enabled the procurement team to take a bottom-up approach centred around generating and evidencing quick wins to prove the value of scaling supplier relationship management and supplier collaboration.

Getting other stakeholders on board was also key. As visibility into interactions with suppliers was desired by the wider business, involving them early in the process was crucial.

This was especially important within the supply chain function, with the procurement team at Astellas making early engagement with supply chain leaders a priority, in order to demonstrate how the Vizibl solution would enable their goal of strengthening supply chain partner management.

In order to prove value, the procurement excellence team at Astellas offered Vizibl to test and pilot to two category management teams and two key suppliers, in addition to giving the global team access to the KPIs used in more

mature areas of the procurement organisation.

In emerging parts of the business, a belief persisted that existing tools and processes were sufficient to deliver on the strategic responsibilities given to the procurement function. This 'trial mentality' has been key to facilitating change in that mindset.



"Vizibl has given us the ability to closely align our global procurement team and our strategic and preferred suppliers to the Astellas corporate strategy in order to drive mutual business value.

Not only have we improved relationships, performance, and outcomes with our suppliers, we've driven better, active, collaborative relationships within our own enterprise – enabling procurement to achieve valued business partner status in the Astellas business."

Paul O'Neill
SVP Head of Global Procurement
Astellas

Building the foundation for future strategic needs

Establishing clear visibility and good process governance within procurement with more effective Supplier Relationship Management and Supplier Performance Management has laid the groundwork for future projects that will help Astellas drive further strategic value back to the business. Chief among these future priorities are innovation and sustainability.

Astellas has recently taken a more distinct approach to embedding sustainable procurement practices throughout their organisation, launching their 'Sustainability In Action Program'. This programme seeks to take a closer look at how suppliers are contributing to the organisation's sustainability goals, particularly in regards to scope 3 and supplier diversity.

Recognising the huge potential of its external ecosystem for bringing fresh ideas, products, and solutions into the organisation, Astellas also recently kicked off their I2G (or 'Innovate Together') Programme. The first phase is seeing Astellas use Vizibl's Supplier Innovation Hub to drive a round of closed innovation among the incumbent supply base. In the near future, this closed innovation programme will be expanded further afield to incorporate open innovation, using a web-based open innovation portal as an access gate to the Vizibl platform.

OUTCOMES

Taking a cross-functional, full-business approach, aided by a business tool

Both the Vizibl platform and the approach used by the procurement team have since been recognised and endorsed by the PharmaTech leadership team at Astellas as valuable both to procurement processes, but also to other strategic areas of the business.

Digitising their supplier management activities has resulted in a reduction of manual labour, visibility improvements, and increased accuracy of supplier performance data, in addition to reducing administrative burden on the procurement team.

The team's SRM approach, facilitated in part by Vizibl, earned them an internal Sirius Award designed to recognise excellence within the Astellas business.

This award win provided the perfect opportunity not only to demonstrate an initial win, but also to 'get a foot in the door with other stakeholders' as the director of the programme put it.

Accordingly, successes thus far have been the result of a capable cross-functional team which unites procurement leadership and procurement excellence with general management and

operational functions, category leads, vendor management, risk management, and technology teams.

Internal collaboration and visibility within the Astellas business is just as critical to success as close connections with strategic and preferred suppliers.

This approach allows Astellas to engage in cross-business knowledge-sharing; to take current best practices and processes – particularly when it comes to governance – from one area of the business and apply them elsewhere as applicable and appropriate, supporting their goal of centralisation and standardisation to support the future growth of the procurement function.

World Procurement Awards win

A recent win for Astellas as large enterprise procurement team of the year at the World Procurement Awards saw the team's work recognised and rewarded.

Astellas's centralisation transformation and the procurement team's dedication to "category excellence, stakeholder alignment, strengthened risk management, and operational efficiency" was recognised in particular, with the judges deeming that the Astellas procurement function has "exceeded its savings targets while delivering an exceptional experience for stakeholders."



"The Vizibl platform has given us a single source of truth.

In a complex, global organisation, where our most critical strategic suppliers operate across many Astellas teams, disciplines and territories, robust Supplier Relationship Management, Collaboration, and Innovation principles creates the governance, structure, and visibility we need to scale the value procurement can deliver to the wider business."

Julia Ekelman
Associate Director, Supplier
Relationship Management & Innovation
Astellas

Vizibl

Vizibl is enabling complex enterprise organisations to achieve their most ambitious goals, through truly valuable supplier relationships.

To find out how your organisation can leverage Supplier Collaboration and Innovation to drive sustainable business growth, get in touch with the Vizibl team:

vizibl.co/contact-us