

Case Study

MedImmune Uses Openair for 2,500 Employee Enterprise Deployment to Win Critical Influenza Protection Contract

Accomplished Push-Button Integration into SAP; DCAA Compliance and No Material Errors, All in Record Deployment Time

Joe Carella is senior director, Solution Design and Delivery, for MedImmune, Inc. (Nasdaq: MEDI), a biotechnology company founded in 1988 and focused on treatments for infectious disease, cancer and inflammatory diseases. MedImmune was recently awarded a \$170 million, five-year contract from U.S. Health and Human Services to develop cell-based influenza vaccines, recognizing the importance of the company's vaccine technology to protect the nation against annual and pandemic influenza.

The challenge we faced was simple: we had no means of recording project costs, and we had no means of tracking time objectively.

We're a pharmaceutical biotech company of 2,500 people. Labor accounts for most of our costs; hence tracking time is important to us.

Because of our science we were given the opportunity to bid for a certain government contract. This contract entailed the incidence of pandemic preparations that have received so much scrutiny. We were participating in a culture-based influenza vaccine that could solve a huge potential public health problem, whether that'd be caused by avian flu or another influenza pandemic.

However, our situation at the time called for a much greater level of discipline around time accumulation and supervisor approval, as well as controls regarding assignment to those projects. We simply did not have the infrastructure in place to accomplish those objectives.

In addition, we wanted to build an internal system to allow for productivity metrics for my application development group. This led me to look for an online ASP solution that I could quickly pilot ...

We Turned to OpenAir

The pilot we conducted with 80 employees was very successful, and soon I was asked to deploy it enterprise-wide as a condition of winning a \$170 million government award, which we subsequently did. Without OpenAir we would not have been in a position to participate in the bidding.

As a consequence of the pilot, we realized that in order to assure sustainability we had to integrate it with our enterprise resource planning (ERP) system, which is SAP. It involved a labor-intensive process to get all the HR processes around new hires, terminations, and transfers being replicated out to OpenAir, and recording time captured in OpenAir back into our payroll and ledger systems. We had two divisions of the Company, the internal project management teams and HR – using OpenAir.

We built an integration into HR so that, when HR makes a new hire, the processes they follow are followed each and every time. We just leverage that data into our OpenAir system so that we have no parallel maintenance to build. When it comes to reporting project costs, we don't have to worry about extracting them and running the risk of committing errors. We built interfaces directly into SAP. So at the push of a button we extract from OpenAir and integrate into SAP.

Project Timeframe

We had a very aggressive timeframe for the project because of the opportunity we had to bid on this large government contract. From initial pilot to the first thousand employees going into production with full SAP integration took less than six months. All told, it took nine months starting from the day OpenAir walked into my office to full enterprise deployment of 2,500 employees.

Evaluation

We configured the application so it would work equivalently for all groups subject to the definition of their projects. We evaluated two other time-recording systems, but thought OpenAir gave us the most flexibility. We were impressed with its engineering, design, scalability, and third-party hosting model. It was exactly what we wanted.

We did not even consider using SAP to accomplish the same functions mostly because our SAP team was already too preoccupied and we needed a timely solution.

Return on Investment

We justified our investment in OpenAir using the following paradigm: by having people record their time, then reviewed and approved by their managers, that we would save two-person days per year per individual. Which is less than one percent productivity improvement. Yet by squeezing one percent per year the service will pay for itself in less than three years. That's for full integration, full design, and ongoing support. And that's where I think OpenAir provides a tremendous opportunity to improve the management of your human capital. I think OpenAir gives you visibility in people's day-to-day activities that otherwise wouldn't be available. And then, integrating it into our financial cost reporting systems just brought it home in spades, because now all of that data from a financial perspective is integrated in the ledger, in the payroll systems, and in our cost reporting systems.

As a public life sciences company we have to be SOX and DCAA compliant (Defense Contractor Audit Administration). DCAA is the government audit agency for compliance and administrative systems.

We deliberately constructed our procedures, leveraging the OpenAir capabilities around resource assignment, around time entry, and around supervisor approval; these steps all had to be consistent with our organizational structure. I'm happy to say that we passed the first round of the DCAA audits.

During our evaluation, the features in OpenAir that were very important to us included: 1) the ability to have full audit trail on all activities; 2) the ability to track supervisor review and get overt approval on that; 3) the ability to control the assignment of resources to a project; and 4) the ability to provide ad hoc management reporting. All of these points were critical to our selection process, and all were necessary for passing any audit, whether SOX or DCAA.

Next Steps

Our next steps are to leverage the resource planning capabilities to allow for the forecasting of full time equivalents (FTE) demand. For example, based on a project portfolio, how many people would we need to execute this set of projects? The gain realized is that we'd be moving from recording historical time worked, to planning for future work. We plan to have this fully deployed before the end of the year.

Lessons Learned

I think emphasis on planning what the integrated vision of operation is among all the pieces, of which OpenAir was critical and SAP was critical, and getting all those flows working. That was number one.

Number two, the ability to plan for a sustainable deployment. We built web-based training videos that could be delivered for self-training, so we didn't have to do stand-and-deliver training. The idea behind our deployment was to make the application as sustainable and labor-free as possible.

This project is being credited with being one of the smoothest, most comprehensive and well-executed project plans. And I will credit a well-prepared team and a good set of products behind that. We are actually using this as an object lesson for how to execute projects; how to select software, how to plan for integration and sustainability, and how to execute as error-free as possible. We had no material errors. We were able to make payroll the first week.

We are intending to use this project as the model on how to run projects, gain customer ownership, and achieve the highest satisfaction.