

# THE POWER OF DIGITAL TRANSFORMATION

→ BY WAYNE HULL, PCI PHARMA SERVICES



The pharmaceutical contract services supply chain is not traditionally a sector where technology is a first mover. Approximately 18 months ago, however, PCI Pharma Services determined that there were sufficient proof points in the industry indicating that it should incorporate digital transformation as core to its business strategy. While the company continues on this journey, PCI Pharma Services is already realizing both measurable and intangible benefits.

#### IDENTIFYING MAJOR TRENDS

To ensure that PCI Pharma Services embarked on the right path, we conducted extensive research to identify the digital trends with significant potential to impact the pharma supply chain, including drug development and manufacturing, packaging, and clinical trial services.

Three major trends were delineated. The first was the application of digital technology to enhance the customer experience. PCI Pharma Services is recognized in the industry as a leader when it comes to providing positive customer experiences. In order to retain that leadership position going forward, digital capabilities will be essential. An understanding of how to bring digital tools to bear is also necessary.

The second trend relates to the provision of real-time supply chain information. Traditionally, providers have interacted with customers in a manual mode. This approach does not allow for real-time access by customers to infor-

mation regarding the status of their projects, which is something they crave.

Ensuring the agility and scalability of the organization as PCI Pharma Services continues to grow will also require new digital solutions. The company has already increased in size exponentially through a combination of organic growth and acquisitions. As a result, many different legacy information technology systems exist, which must be integrated to enable agile digital solutions that can support further growth.

Finally, we identified a fourth, slightly longer-term trend around robotic packaging automation, which will be tackled in 12-18 months. The use of data and robotics in the context of smart factories is thus directly applicable to the company.

#### UNLOCKING IDEAS

Once these key trends were understood, our next step was to explore the needs in the industry and PCI Pharma Services'

current capabilities more in depth and determine the best approach to implementing relevant digital technologies. We went through an extensive design thinking process, bringing together people within PCI Pharma Services from different sites that held positions at multiple levels. We assessed what customers want us to do differently and how we might be able to accomplish those changes. Not only was this approach using internal talent well received, but it also generated incredible ideas. We thus uncovered a yearning from internal leaders for digital change and took a very positive step towards enabling that change.

We then listened to the voice of the customer to put these unlocked ideas into context. We conducted many conversations with selected customers about how digital technologies could change the way PCI delivers its services. The information gathered at this stage aided us in determining what specific programs to pursue.

WHEN CUSTOMER DEMANDS FOR DIGITAL EXPERIENCES CONTINUE TO ACCELERATE EVEN AFTER THE PANDEMIC HAS ENDED, PCI PHARMA SERVICES WILL BE READY.



### DECIDING WHERE TO GO ON PCI'S DIGITAL JOURNEY

It is one thing to decide to go digital and another to determine where to go on a digital transformation journey. Our goal is to take PCI Pharma Services to the next level – to improve our processes and increase both efficiency and transparency. By doing so, we add to our customer value proposition and to our core equity as well as drive growth.

PCI Pharma Services is first and foremost a pharma supply chain service provider. The service of our project management specialists contributes to a positive experience for our customers. Until recently, project management activities have been predominantly manual and people-based. However, it is difficult to cost-effectively scale in a manual environment. More people must be added to do more work, which becomes impractical due to overwhelming inefficiencies – once again, digital solutions can help address this issue.

In addition, the prolific use of apps, digital processes, and data in everyday life is driving expectations for similar capabilities in the workplace. People are reliant on digital services at home, and they expect them at work too. Digitalization and consumerization of the enterprise is a strong reality that cannot be ignored.

### IMPLEMENTATION OF FOUNDATIONAL TECHNOLOGY

One of the first projects that PCI tackled involved the implementation of founda-

tional technologies – JDE and Salesforce.com – for both front-office and back-office operations. There is tremendous complexity within a 3,500+ person business serving 100 countries. Having our sites using the same technology has enabled PCI Pharma Services to communicate more effectively and, thereby, operate more efficiently.

### CONVERSION TO COLLABORATIVE ORGANIZATION

We also focused on converting PCI Pharma Services to a collaborative organization by implementing Microsoft Teams as a platform for connection. Today, as many as 1,800 employees can simultaneously work remotely. Notably, this conversion was complete prior to the advent of the COVID-19 pandemic, positioning us to provide continuous support to our customers. We have been able to maintain not only all of our customer relationships but also our sales growth.

### DRIVING INSIGHTS WITH DATA

To leverage the large quantities of digital data we are now collecting across the organization, PCI Pharma Services implemented data analytics tools. These tools are driving new insights that are informing decision-making processes throughout the company. Data modeling tools are helping, for example, with procurement and pricing. All of these insights and better-informed decision-making allow us to offer better service to our customers.

### ALIGNING DIGITAL TECH WITH MARKETING

The alignment of digital technology with marketing is another important component of our digital transformation. Marketing campaigns are expected to transcend channels and exist in both the physical and digital worlds. Digital tools are needed to deliver information to customers, analyze feedback, and determine how the campaign is impacting the bottom line.

The intent – as we establish the alignment of digital tech and marketing – is to be mindful about speaking to our customers in ways they wish to be spoken to, through the channels they prefer, and to be accessible whenever (24/7/365) they want to reach us.

### MORE TRANSFORMATIONAL PROJECTS CURRENTLY UNDERWAY

Two additional projects that are currently underway will be completely transformative for PCI Pharma Services. The first is our new digital platform for providing real-time supply-chain information to customers. This platform technology will closely and very securely integrate our systems with those of our customers so that the supply chain can be managed from both sides. The platform is being built from the outside in, with the customer in mind, leveraging input from four strategic customers. We have partnered with a global engineering and design firm to ensure the system is of the highest quality. The launch of this digital platform is expected in Q3 2020.

Real-time information that will be accessible to customers will include inventory, production, distribution, and shipping data. With this system, we are seeking to provide our customers with as much transparency as possible around their projects from the time we receive their request to the delivery of their product. We are focused, however, on providing only data that are most relevant and critical to our customers' projects, and that positively impact their bottom lines.

To do so, we have needed to connect many different technologies at multiple sites together and present the various types of data through an interface that is easy to access and understand. In addition, each customer – and each project for a given customer – may require real-time tracking of different data. There-

## ENSURING THE AGILITY AND SCALABILITY OF THE ORGANIZATION AS PCI PHARMA SERVICES CONTINUES TO GROW WILL ALSO REQUIRE NEW DIGITAL SOLUTIONS.

fore, the system must also seamlessly integrate customization.

The second transformative pillar currently being addressed within PCI's digitalization journey focuses on digitalizing core business processes. We started in the project management space, putting digital tools in place that are integrated with our back-office and sales force systems. These tools are designed to drive value to our customers in terms of making it easy to work with PCI. A roadmap covering a range of business processes to be digitalized has been established and includes invoicing, sales order processing, and material requisitioning.

We are also implementing an electronic quality management system, further data insight projects, and initiatives in the human resource environment around communication, learning, and performance management. In the future, we also plan to pursue a number of projects involving packaging automation.

### REALIZING MEASURABLE BENEFITS

Even though we began our digital transformation journey just 18 months ago, PCI Pharma Services is already realizing measurable benefits. As mentioned above, the conversion to a collaborative organization has been fortuitous during the COVID-19 pandemic.

The implementation of digital solutions has started to increase our efficiency, and we expect to realize further gains as additional tools and systems are added.

Our ability to scale has also improved. Current and future investments in emerg-

ing technologies related to digitalization, cyber security, plant automation, and other operations are creating a more scalable environment from both IT and operational perspectives. As importantly, now that we have pivoted from traditional to emerging technologies, we are becoming more agile and are better positioned to achieve additional growth in the future.

### COVID-19 PANDEMIC AND DIGITAL TRANSFORMATION

During the COVID-19 pandemic, PCI Pharma Services has had two primary responsibilities: keeping our employees safe and continuing to support our customers in their efforts to provide life-changing medicines to patients.

While many organizations have been challenged by the pandemic to adopt digital technologies as a reactive measure, PCI Services has been proactive in the implementation of digital solutions as we progress on our digital transformation journey. As a result, digital technologies have been core to our business strategy for many months, and we and our customers have greatly benefited from access to these systems.

When customer demands for digital experiences continue to accelerate even after the pandemic has ended, PCI Pharma Services will be ready. It is likely that many behaviors adopted in response to stay-home/stay-safe orders will remain, particularly if they contribute to greater efficiency and reduced costs. We can expect fewer large, in-person events

such as trade shows, reduced travel, and an increased appetite for digital content. Digital capabilities and the ability to connect through desktop and mobile devices will no longer be nice to have; they will be essential. PCI is well on the way to completing our digital transformation and is in a great position to meet these evolving customer needs.

### THE PCI SERVICES JOURNEY WILL CONTINUE

We look forward to continuing our digital transformation journey. With increasing evidence that investment in digital solutions provides real and measurable returns, we are more confident in our digital transformation. We are, therefore, better positioned to leverage new innovations and implement emerging technologies sooner.

For instance, as machine learning becomes more accessible and artificial intelligence becomes more mainstream, we anticipate increasing our ability to provide customers with more information and insights in the right format at the right time. Such agility within the organization to identify problems and propose novel solutions is a part of what differentiates us from our competition. And, as we proceed on our digital transformation journey, we will continue to evolve as a company, provide better customer experiences, and create ongoing opportunities for future growth with our continued focus to be the bridge between life-changing therapies and patients. ■

### ABOUT THE AUTHOR



#### Wayne Hull

Global Chief Digital and Technology Officer, PCI Services

In addition to serving as Global Chief Digital and Technology Officer for PCI Services, **Wayne Hull** is Senior Advisor, Digital and Technology, Partners Group (which includes PCI Services among its portfolio companies), a board member of both Christel House South Africa and YPO Cape Town, and co-founder of the SAJE Foundation, an education NGO. Wayne completed the YPO Presidents Program at Harvard Business School and the Cisco General Management Program at IMD Business School and holds an honors degree in industrial sociology from the University of Cape Town.

**LinkedIn** [www.linkedin.com/in/waynehull/](http://www.linkedin.com/in/waynehull/)

**Email** [Wayne.Hull@pciservices.com](mailto:Wayne.Hull@pciservices.com)