pharmaxis

BUSINESS PROFILE:

PHARMAXIS IS A SPECIALTY PHARMACEUTICAL COMPANY INVOLVED IN THE RESEARCH, DEVELOPMENT AND COMMERCIALIZATION OF NEW THERAPIES FOR UNDER-TREATED RESPIRATORY DISEASES.

BUSINESS CHALLENGE:

- REQUIRED A SOLUTION THAT WOULD GROW WITH THEIR GLOBAL BUSINESS
- DESIRE TO LEVERAGE TECHNOLOGY TO REMAIN COMPETITIVE AND INNOVATIVE
- COMPLIANCE WITH STRINGENT LIFE SCIENCES INDUSTRY VALIDATION REQUIREMENTS

SOLUTION:

- MICROSOFT DYNAMICS NAV
- TECTURA LIFE SCIENCES
- TECTURA REQLOGIC
- MICROSOFT SHAREPOINT
- TARGIT BUSINESS INTELLIGENCE
- JETREPORTS

BENEFITS:

- IMPLEMENTED A SOLUTION THAT BETTER SUPPORTS THE COMPANY'S BUSINESS MODEL
- INCREASED OPERATIONAL EFFICIENCIES THROUGH AUTOMATION AND INTEGRATION
- INCREASED BUSINESS GROWTH
- ABILITY TO MEET LIFE SCIENCES VALIDATION REQUIREMENTS

PHARMACEUTICAL COMPANY PHARMAXIS REPORTS POSITIVE ON TECTURA LIFE SCIENCES BASED ON MICROSOFT DYNAMICS

Founded in 1988, Pharmaxis is a specialty pharmaceutical company based out of its Therapeutic Goods Administration (TGA) approved manufacturing facility in Sydney, Australia. The company is involved in the research, development and commercialization of new therapies for under-treated respiratory diseases. Some of the Pharmaxis products include Aridol™, an innovative lung function test designed to help doctors diagnose asthma, and Bronchitol™ for cystic fibrosis and chronic obstructive pulmonary disease. Listed on the Australian Stock Exchange in November 2003 (symbol PXS), Pharmaxis has grown into one of Australia's largest life sciences companies. With offices in four continents (Australia, USA, China, and the UK), the company is committed to continuing to build an internationally successful pharmaceutical business that is built to last. With intense focus on lung diseases such as cystic fibrosis, bronchiectasis and asthma as well as chronic obstructive pulmonary diseases like chronic bronchitis and pulmonary fibrosis, Pharmaxis is working to bring innovative medicines to people around the world – touching and improving their lives as it does so.

BUSINESS CHALLENGE

When Paul Miller, Financial Controller, joined Pharmaxis in May 2005, the company was progressing its clinical trial programs and moving towards commercial launch of its first product. At that time, they were using MYOB, a business management solution that included, among other capabilities, finance and job costing. In essence, MYOB was working satisfactorily for Pharmaxis – it was getting the job done. Yet, even though the team knew they could continue running the business using MYOB for another few years or so, they knew that in order to stay true to their philosophy, it was time to consider a change. At the highest level, the Pharmaxis model is to do its best at growing the business globally while proactively leveraging technology in order to keep resource requirements to a minimum at the head office. And just like their approach to pharmaceuticals, Pharmaxis wanted to remain innovative and ahead of the curve when it came to their key business solutions. This meant that Pharmaxis would look to lay the proper infrastructure and foundation in advance of the business requiring it which launched their investigation for an ERP solution that met the needs of a growing and global manufacturing business.

SOLUTION

TECTURA®

"Although Tectura Life Sciences might have been a bit riskier of a solution – since it was not as 'known' as SAP – our team believed that it would easily scale to support our company's growth projections, and knew that we'd be able to implement it with a much lower total cost of investment and ownership over the long haul."

Paul Miller
Financial Controller
Pharmaxis

Miller and a small Pharmaxis evaluation team started by comparing SAP A1 and Tectura® Life Sciences built on Microsoft Dynamics® NAV. Of course, both solutions had their strengths and weaknesses. The Pharmaxis team felt that SAP A1 offered a very stable and solid solution, including strong manufacturing capabilities that really impressed the Manufacturing team members involved in the evaluation. However, the life cycle cost was considered more expensive and not nearly as adaptable which could, in turn, negatively impact user adoption and acceptance rates. When reviewing Tectura Life Sciences, Pharmaxis felt that it was a very adaptable, familiar solution (based on Microsoft technology) with the required functionality to support Pharmaxis into the future. Critical to companies in the Life Sciences industry, Pharmaxis asked both the SAP reseller and Tectura to propose plans meeting validation requirements associated with implementing a new ERP solution. After a full review of both SAP and Tectura solutions and proposed validation plans, Pharmaxis decided to move forward with Tectura. "Although Tectura Life Sciences might have been a bit riskier of a solution – since it was not as 'known' as SAP – our team believed that it would easily scale to support our company's growth projections, and knew that we'd be able to implement it with a much lower total cost of investment and ownership over the long haul," said Miller.

"Another Tectura differentiator was some of the 'bolt on' application options, such as Tectura ReQlogic, that would truly enable us to more fully capitalize on the potential of our ERP solution."

Once Tectura Life Sciences was selected, the implementation began. Based on specific requirements to support the Pharmaxis business, Tectura worked to make a range of customizations to the financial module within Microsoft Dynamics NAV. Once the core ERP functionality was successfully implemented and validated, it became locked down as the 'core business engine' within Pharmaxis' business management solution architecture. There are about 15 Pharmaxis employees who are full-time users of the core ERP solution, spread between finance and manufacturing disciplines. In order to extend the functionality of their business management solution, Pharmaxis also decided to implement ReQlogic™, the leading .NET browser based application for procurement, requisitioning, vendor invoicing, expense processing and workflow that integrates seamlessly with Microsoft Dynamics. In contrast to the few number of ERP users at Pharmaxis, all employees use ReQlogic as it serves as the company's main input source for order and invoice processing and tracking. Pharmaxis' philosophy is that all employees are individually responsible for

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> Paul Miller
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> Pharmaxis

raising expenditure requisitions and managing the associated coding and procurement cycle. ReQlogic facilitates that process by providing easy to use tools, supported by a control framework that is easily tailored based on individual business unit approval routing requirements.

Business Intelligence and reporting were also very important requirements for Pharmaxis and therefore, they integrated other add-on solutions, including TARGIT business intelligence and Jet Reports. TARGIT offers Pharmaxis a clean interface for business intelligence analysis and is used globally across the company to analyze the business and its different entities. Jet Reports is primarily used by management for financial modeling. With these three add-on applications, Pharmaxis can continue to leverage their core ERP functionality while evolving and upgrading their add-on solutions. This enables them to extend their overall solution functionality, gaining additional synergies of add-on product enhancements, without having to change their core validated ERP module.

In combination with evaluating the different business solution vendors, it was important for Pharmaxis to find the right partner. "We wanted a partner that would help Pharmaxis grow and expand. We also

wanted a partner, not a supplier. And that's what we got. We got a strong partner in Tectura and a partner who is helping us grow and who is actually, growing along with us. They are easy to do business with and their consulting and development resources are responsive, reliable and innovative."

BENEFITS

What benefits have the Pharmaxis team experienced with their business solution thus far? For one, they've gained a solution that supports their model – to grow the business by leveraging technology to the fullest in order to maintain a small footprint at the head office. Working with Tectura and implementing Tectura Life Sciences based on Microsoft Dynamics NAV, Pharmaxis has been able to maintain their model, and expect to do so into the foreseeable future. Indeed, they've been able to grow the business over the past four years and in a much more efficient fashion. Key business processes have been either fully or partially automated, covering purchase invoice procurement and processing, sales order processing, and a range of other enhancements (including an interface into the Pharmaxis global banking platform at the company's bank, HCBC, that enables efficient payments locally and internationally) were implemented to support the business control environment.

In addition, a range of efficiency benefits have been realized by utilizing the ability to export and import data between Microsoft Dynamics NAV and Microsoft® SharePoint, hence leveraging benefits from the Group's SharePoint applications.

Due to the strict life sciences industry validation requirements, Pharmaxis is not able to modify or upgrade its core Life Science ERP solution without going through the arduous process to re-validate it. That said, there will probably be a time in the coming years where Pharmaxis will need to consider, "What's next?". Will they upgrade and revalidate their existing solution or will it make more sense to re-evaluate and re-implement a brand new business management solution once again? Only time will tell what's next. For now, Pharmaxis is quite satisfied with the results and benefits they are gaining from their business management solution. And although Miller recognizes that all companies have unique business requirements and priorities, he is an advocate of Tectura, their Microsoft Dynamics NAV solution, and the complementary products that have been deployed at Pharmaxis. It's been supporting, scaling and growing with their business for the past few years and as they continue to grow. Miller has confidence that the solution can, and will, continue to deliver the same.

ABOUT TECTURA

Tectura is a worldwide provider of business consulting services providing sustainable value through consulting, software and IT implementation. Our clientele include mid-sized companies and larger enterprises throughout the Americas, EMEA, and Asia Pacific. With team members in 20+ countries, Tectura applies its comprehensive industry knowledge and unparalleled experience in collaboration with our clients to deliver business and technology strategies and solutions designed to achieve their business performance goals.

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