

CASE STUDY



CardinalHealth

Cardinal Health

SERVICES OFFERED: **Program Management Services for Post-Merger Integration**

SECTOR/INDUSTRY: **Healthcare (Medical Devices)**



Program management for post-merger integration of an acquired business across 20+ countries in the APAC region

“This expansion came with major operational and strategic challenges for us. SKP has been a crucial partner in the successful and timely execution of this project. They have provided focused solutions, with detailed scenario planning to tackle exigencies. Their solution charted the conceptualization, analysis, planning and implementation of the acquisition. The task focus, professionalism and resourcefulness displayed has been exemplary, and has encouraged us to engage with them on future business concerns.”

Shawn McBride

VP APAC Supply Chain & Commercial Operations
and Integration Management Office
Cardinal Health

The Client

Headquartered in Dublin, Ohio, Cardinal Health, Inc. (NYSE: CAH) is a global, integrated healthcare services and products company, providing customized solutions for hospitals, health systems, pharmacies, ambulatory surgery centers, clinical laboratories and physician offices worldwide.

The company provides clinically-proven medical products and pharmaceuticals and cost-effective solutions that enhance supply chain efficiency from hospital to home. Cardinal Health connects patients, providers, payers, pharmacists, and manufacturers for integrated care coordination and better patient management. Backed by nearly 100 years of experience, with approximately 50,000 employees in 46 countries, Cardinal Health ranks among the top 25 on the Fortune 500.

Context

Recently, Cardinal Health acquired a business segment from another multinational company. The acquired business encompasses multiple product categories in numerous geographies across the globe.

This acquisition necessitated co-ordination across multiple countries and work streams. SKP supported Cardinal Health in this endeavor by providing program management services.

Objective

The objective was to achieve a smooth transition of business in all countries without impacting the supply to end customers. The success of the project depended on:

- Ensuring business continuity without interruption in product supply and services to patients and employees
- Completing the integration on time, while balancing the overall costs and risks
- Stabilizing the consolidated business to enable the client to leverage the synergies of scale and value

Geographical Coverage

The mandate was to support business integration across 20 countries – Australia, New Zealand, and 'Emerging Asia', a group of 18 countries which includes Singapore, Thailand, Hong Kong, and India. SKP also helped identify and implement the Service & Repair functionality in the entire APAC region.

Approach

SKP provided support across all phases of the project- from initiation to handover.

Initiation

SKP helped in several key aspects:

- Finalization of the scope of work
- Identification of key work streams and on-boarding of the respective owners
- Setting-up regular meeting cadence and escalation matrix

Besides these, we also conducted business analyses and provided advisory on business models.

Planning

We identified integration activities and outlined their interdependencies, duration, and resource requirements. Additionally, we prepared multiple supporting documents, viz. the project plan, function-wise schedules, milestones, and a communication plan.

Monitoring & Control

SKP diligently monitored the progress against planned milestones and highlighted exceptional deviations.

We gave advance notice of approaching milestones and helped coordinate the information flow between various functions and regions.

Our monitoring framework included a weekly cadence with various stakeholders for status updates and escalations, if any.

Go-Live

The team prepared and monitored the transition plan. This comprised of cut-over activities like transfer of fixed-assets, employee transfer, communication to business partners, signing of Country Transfer Agreements, and payment as per the transition agreement.

Post Go-live Support

After the go-live, we closely monitored the health of the integrated business for a period of 60 days. During this period, we provided dashboard-based daily reporting to Cardinal Health's integration management team.

Handover

We concluded the assignment by providing a comprehensive handover to the function teams.

Challenges

Some of the factors that contributed to the complexity of this project were:

- Simultaneously carrying out the integration in 20+ countries in APAC
- Navigating through complex and varied regulatory requirements
- Involvement of multiple stakeholders e.g. distributors and external service providers

Impact

The business transition was completed on the planned date across all countries, within the estimated budget. The team achieved this without any disruption in business.

For more information on this case study, please contact:

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