

GENENTECH

SAN FRANCISCO, CALIFORNIA, USA

Genentech is a biotechnology corporation that is a subsidiary of Roche Group. Genentech Research and Early Development operates as an independent location within Roche. With annual revenue exceeding \$15 billion, Genentech employs more than 16,000 people.

BUSINESS CHALLENGES

With a corporate culture of continuous improvement, Genentech embarked on a widespread automation effort across its finance and accounting processes.

However, halfway through an implementation of the SAP Financial Closing Cockpit pilot, Genentech realized the automation levels were below expectations and not realizing the anticipated benefits.

There was still too much latency due to processing dependencies that caused unnecessary pauses in the close process.

Consequently, the stress level at month end was taking its toll on overworked management and staff who manned an around the clock “war room” during each close period.

BUSINESS OBJECTIVES

- Remove latency from the close process.
- Eliminate remaining manual processes and reduce the time to close. In short, achieve a hands-off close.
- Reduce stress for Genentech's long suffering finance team and prevent further attrition due to burn out.
- Assure 'C' level executives that everything possible was being done to achieve better accuracy and compliance.



RESULTS & CURRENT STATUS

- Three weeks into the pilot, Redwood software proved itself beyond expectation. It took just three additional months to automate the remaining corporate close processes. An assessment indicated an 88% level of automation.
- Redwood reduced end-to-end close times by over 50%, eliminated manual steps and drastically reduced exceptions. Latency was driven out of the close process, so no more sitting and waiting
- Automated workflow eliminated the culture of ad hoc, manual email notifications which were often overlooked, causing errors.
- Significant compliance improvements were realized via built-in audit and controls. The evidence is now readily available to internal and external auditors.
- Cut work in progress balance processing from eight hours to just a few minutes.
- Enabled re-allocation of highly paid analysts to focus on higher-value activities such as process improvement and assimilation of regular acquisitions.
- Major cost avoidance due to eliminating the need to hire contractors to complete the end-to-end manufacturing close process.



ADDITIONAL INFORMATION

Genentech was initially looking to implement numerous financial tools from several vendors, including Blackline.

However the company realized the limitations of this approach and changed tack. The Redwood implementation workshops led to the transformation of long-standing but somewhat inefficient processes. This decision also helped Genentech avoid future complexity through the use of disparate tools. In addition, Redwood’s pre-configured tasks ensured the company wouldn’t have to employ additional people to run those tools.

The success of the corporate close project led to a second phase to automate the Cost Accounting/Manufacturing close which was completed in just three months.

The project was completed in three phases with less than two weeks of IT involvement. Financial close, manufacturing close and product costing and reporting methods in manufacturing plants have all been deployed and are working successfully.

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