



Bayer creates ground-breaking legal shared services function

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dedicated in-house project team

80%

automation rate

4.1/5

user satisfaction

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Thomas Pfennig, Global Head of Compliance & Data Privacy, Bayer

Navigating local and global compliance

Bayer is a German multinational life sciences company. As a leader in its industries, it boasts more than 150 years of history and core compliances in the areas of healthcare and agriculture. Bayer is working to find solutions to some of the major global challenges of our time.

Naturally, the Bayer business is 24/7 and operates on a global scale. Operating in highly regulated markets, its legal and compliance department is one of the busiest of Bayer's service functions.

Industry:

Healthcare

Location:

Leverkusen, Germany

People:

100,000+ employees

Products:

• App Engine

servicenow



smartvokat

Compliance requests vary from “how much can I spend on lunch with a client?” to local gift-giving and more complex legal requests such as advice on antitrust questions or data privacy guidance on a new business model. Bayer must consider both global and local regulations in all its activities. In adhering to regulations, Bayer is not only ensuring its license to operate but also ensuring the wellbeing of individuals across the world.

“We used to have close to 1,000 legal, compliance, IP, and data privacy experts in 36 regional clusters in more than 100 countries,” says Thomas Pfennig, Global Head of Compliance & Data Privacy, Bayer. “Historically, our function has used a very decentralized model.”

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The low-code aspect of ServiceNow was critical. We could customize and move quickly. These sprints have introduced agile development to Bayer’s legal function.

Ignaz Fuesgen, Managing Director, smartvokat



Transformation trigger

When an enterprise-wide transformation and efficiency project was initiated in 2017, Bayer’s Legal, Compliance, IP and Insurance function recognized this as an opportunity to significantly modernize its operating model. At the core of this change was the opportunity to bring the standard services of its legal, compliance, and data privacy departments into Bayer’s global shared services function and facilitate the services via a digital platform. By creating a new service unit with regional teams within Bayer’s shared service centers, automating certain tasks, and creating a self-service functionality on the newly developed digital platform, it could realize significant efficiency gains and also cost savings.

Based on thorough analysis, Bayer considered that a significant percentage of all legal, compliance, and data privacy requests were repetitive and recurring and could be automated. This would free legal and compliance professionals to focus on business-critical or high-risk tasks and enable more time for core business counseling as an enabling function.

Creating regional centers

On paper, this appeared a reasonable business objective. In reality, it risked upsetting sensitive local stakeholders and placing unnecessary kinks in well-established processes. Bayer was conscious this would be a cultural as much as a process shift.

"There was a belief that legal and compliance matters were not something that should be placed in shared services," says Thomas. We're dealing with sensitive topics, it was imperative we had a solid line of reporting into the Compliance & DP function. It would be like open-heart surgery, we could not afford for things to go wrong."

Bayer worked alongside its implementation partner, smartvokat, a ServiceNow partner, to plan and deliver the project. "A true collaboration," according to Thomas.

Ignaz Fuesgen, Managing Director of smartvokat, says the priority was finding a common language, a means to bring together legal and technology experts. "Both sides believe they speak a different language. We used our 'legaltech translator' to help Bayer's legal team think of its work in process terms, and for process architects to understand the nuances of the law."

Thomas says the strategic importance of the project, and the acceptance that it would require time and patience, focused attention: "There is no easy blueprint in this project with its unique scope and degree of innovation, and not everything will be perfect right from the beginning. Yet we are very clear in our goal to standardize to the greatest degree possible."

Gathering momentum with agile development

Today, 'LPC Express', Bayer's new branded service unit, provides a 'one-stop-shop' in more than 90 countries. Bayer employees can request services regarding the areas of compliance, data privacy, and legal.

ServiceNow App Engine is the digital platform facilitating LPC Express services and the communication between LPC Express and the requestors.

"We considered three vendors. The thing that was most critical to us was the ability to customize," says Thomas. "ServiceNow enables us to build our own use cases and establishes a means to scale."

Bayer worked alongside smartvokat to build the platform architecture and service applications. Ignaz at smartvokat says flexibility was essential. Processes that were expected to be straightforward were revealed to be more complex. To maintain the project's momentum, feature prototypes were designed, tested, and in production in as little as four weeks, he says: "The low-code aspect of ServiceNow was critical, we could customize and move quickly. These sprints have introduced agile development to Bayer's legal function."

Automated workflows resolve standard requests faster and a smooth-running, end-to-end self-service portal is available 24/7 to Bayer's workforce.



Data and analytics are now built into our global, harmonized processes. This allows us to track progress and to find new opportunities to continuously improve. Without this, we'd never have generated the traction and acceptance we need to drive such fundamental transformation.

Thomas Pfennig, Global Head of Compliance & Data Privacy, Bayer

"It was important to me that we had a user-friendly interface," says Thomas.

"To win over users, it had to be appealing. Compared to the others, the ServiceNow platform, offering broad capabilities to customize as well as establishing out-of-the-box functionalities, is just more enjoyable to use."

Freeing resources to focus on service innovation

The impact is transformational. Since the first service was rolled out to the organization in the last year, close to 40,000 requests were handled via the LPC platform. Among other activities, more than 4,600 general legal requests, 3,400 third-party due diligence assessments, and close to 20,000 Fair Market Value checks (a requirement according to pharmaceutical industry codes) were processed via the LPC platform, with an automation rate as high as 80% for some processes. There have been nearly 10,000 users with a rapidly growing adoption rate within the organization of 100,000+ employees.

By freeing legal and compliance professionals from mundane and repetitive manual processes, there is a greater opportunity to explore new ways of working, including a substantial part of automated workflows replacing single, manual advice. Quantitative SLAs become measurable, and user engagement is being tracked. Long term, the move is expected to attract new talent to the business. Cost savings could be as high as 30%, while maintaining strong governance and leveraging harmonized processes in a digital environment.

Thomas says this is helping attract new talent and that the LPC Express centers in Costa Rica, Brazil, Poland, the Philippines, and China are proving to be exciting areas of innovation and fresh thinking.

"Data and analytics are now built into our processes. This allows us to track progress and to find new opportunities to improve. This data never existed before," he explains. "Without this, we'd never have generated the traction and acceptance we need to drive such fundamental transformation."

User engagement can be tracked via growth in the knowledge database, the number of questions being submitted, and the speed at which queries are closed. Current user satisfaction is running at 4.1 out of 5, adds Thomas: "More importantly, we have the trust of Bayer operations around the world."

Bayer already uses ServiceNow to orchestrate cybersecurity operations.

For LPC Express, the challenge through the next phase is to add new processes, refine existing services, and bring new countries into the scope of shared services, including the U.S. organization and China. Evidence of success and the rapid adoption of LPC Express service in other regions will help win over all remaining countries.

"We want to be bold, but we have to be respectful," Thomas adds.



Automated workflows

resolve standard requests faster



Smooth-running

end-to-end self-service portal available 24/7 to Bayer's workforce

