Copely 4.0
Strengthening the immunization supply chain

Undergraduate Agility Advisors:

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Current State | Copely will benefit from increased cost control and transparency as global sales increase

Copely’s Current Situation

Global growth has increased revenue, but costs have risen disproportionately

Diverse distribution and transportation network is difficult to control and measure

Lacks deep understanding into the variables of vaccine stability

Copely’s Challenges

1. Global supply chain and distribution lacks visibility

2. Reliance on couriers for last-mile reduces adherence to CDC guidelines

3. Difficulty understanding local challenges as a global company based in Nebraska

Key Question

How can Copely increase visibility in its distribution network to deliver cost-transparency and control rising costs while expanding its geographic reach?
Recommendation | Copely 4.0 aims to transform Cook Medical into a digitally-enabled, modern organization

**Copely’s Challenges:**

1. **Global supply chain and distribution lacks visibility**

2. **Reliance on couriers for last-mile reduces adherence to CDC guidelines**

3. **Difficulty understanding local challenges as a global company based in Nebraska**

**Agility Advisors Recommendations:**

1. **IOT-Enabled Blockchain**
   - Leveraging IOT and Blockchain technology provides visibility while providing actionable alerts for at-risk vaccines

2. **Saudization**
   - Ensuring all last-mile couriers understand the necessary procedures to ensure the effectiveness of vaccines

3. **Local Incentives**
   - Leveraging local talent and partnerships to deliver geography-specific insights to drive distribution effectiveness and efficiency
Hybrid ERP | Utilizing a Hybrid ERP to transition to paperless can promote cost savings and efficiency

Adhere to constantly changing compliance regulations through dynamic automated processes

Access data from a range of platforms increasing employee engagement

Companies see an average of 77% rise in productivity and accuracy switching from paper to paperless

Sources: PWC, WhiteLight Group

Average of 2-7% are documents are misfiled resulting in handling costs of $120 per document

82% productivity gains in automation of ERP solution

150 hours are spent each year looking for misplaced documents

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Why Hybrid ERP?

Access data from a range of platforms increasing employee engagement

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82% productivity gains in automation of ERP solution

150 hours are spent each year looking for misplaced documents

**Current State**

**Recommendation**

**Blockchain**

**Standardization**

**Local Incentives**

**Financials**

**Timeline/Risk**

**Conclusion**
Hybrid ERP | Key steps required to transition from paper to paperless system

<table>
<thead>
<tr>
<th>Step 1</th>
<th>Step 2</th>
<th>Step 3</th>
<th>Step 4</th>
<th>Step 5</th>
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</thead>
<tbody>
<tr>
<td>Establish Cloud ERP</td>
<td>Integrate Digital Document Management system (DDMS)</td>
<td>Install data collection and voice command software</td>
<td>Standardize workflow</td>
<td>Establish Naming Conventions</td>
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</tbody>
</table>

- **Utilize ERP as a central data repository**
- **Connect DDMS to back end of ERP and CRM**
- **Provide employees with real-time and on-demand access to enterprise data**
- **Use bottoms up approach to reduce operating costs**
- **Create folder-naming system to organize company documents**

Sources: WhiteLight Group
Human Resources | In order to spur innovation, Cook must invest in young and creative employees

SICE Program at IU

Majors: Informatics, Computer Science, Engineering

Highly Ranked Programs

Focus on building creative problem-solving skills

Young, talented professionals

Key Benefits

- Decrease the average age of employees
- Increased innovation, accepting of change
- Constant stream of new applicants
Human Resources | Effective recruitment and innovative training will give Cook the people it needs to change

Increasing Awareness of Cook at IU
Holding presentations, hosting technology case competitions, and offering shadows will allow innovative students to think of Cook as a career.

Recruiting at SICE and Kelley
Have a consistent recruiting presence at IU, especially at target schools, to hire new talent locally primarily through referrals.

Training New and Existing Employees
Holding innovation training, workshops, and activities will encourage innovation from individual employees and result in competitive growth.
Driving Innovation | Cook Medical can foster an innovative culture through organizational transformation

Performance Management/Incentives

- 5% of sales/savings from innovation given to employee
- Innovation & technology performance responsibilities will be shared between IT and business owners

Innovation Ambassadors

- Hub and spoke model to coordinate innovation throughout Cook
- Innovation Ambassadors are placed across the business

Key Benefits

- Shared responsibilities and performance duties leads to greater business buy-in and adoption
- Innovation Ambassadors better understand the business & can generate buy-in from peers

Sources: Harvard Business Review, McKinsey
Driving Innovation | Cook Medical’s Innovation
Ambassadors will be a selective cohort

10 Innovation Ambassadors

Placement
Innovation ambassadors will be embedded throughout Cook Medical’s 10 divisions

Bimonthly Gatherings
Innovation Ambassadors will undergo continuous training in innovation, technology, and regulatory updates while sharing knowledge with the rest of the cohort and Cook Medical Leadership

Key Outcomes
- Improved knowledge transfer/sharing within Cook Medical
- Alignment of innovation strategy and execution
Financials | We expect a 54% ROI from Cook 2.0 by the end of year 1 post-deployment.

ROI: 54%
After factoring in the direct costs and benefits of implementing this 3-part strategy.
**Timeline** | Our 1-year timeline allows for tangible benefits realization

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<thead>
<tr>
<th>Task</th>
<th>Month 1</th>
<th>Month 2</th>
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<th>Month 4</th>
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<th>Month 6</th>
<th>Month 7</th>
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<th>Month 9</th>
<th>Month 10</th>
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<td>Establish Cloud ERP and Integrate DDMS</td>
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<td>Set Up Data Collection Software</td>
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<td>Establish relationships with Partners</td>
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<td>Pay Incentives</td>
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**Current State** | **Recommendation** | **Blockchain** | **Standardization** | **Local Incentives** | **Financials** | **Timeline/Risk** | **Conclusion**
### Risks

Agility has strategies in place to mitigate potential project risks

<table>
<thead>
<tr>
<th>Risk</th>
<th>Degree</th>
<th>Mitigation</th>
</tr>
</thead>
<tbody>
<tr>
<td>Documents are not created properly increasing risk human error</td>
<td><strong>Severity</strong>: Low, <strong>Probability</strong>: Medium</td>
<td>Have compliance manager revise and review documents before they are integrated into the process</td>
</tr>
<tr>
<td>Cook Medical’s traditional culture may make it difficult for employees to adjust to the innovative transformation</td>
<td><strong>Severity</strong>: Medium, <strong>Probability</strong>: Low</td>
<td>The establishment of Innovation Ambassadors at the Profile Park campus will help ease existing employees into the new digital and physical transition</td>
</tr>
<tr>
<td>Incentives have limited impact on couriers ability to adhere to CDC guidelines</td>
<td><strong>Severity</strong>: High, <strong>Probability</strong>: Very Low</td>
<td>Establish strong communication with partners through regional facilities and create feedback channel from regional facility to headquarters</td>
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</tbody>
</table>
Conclusion | Cook 2.0 will be a digitally-enabled organization fueled by employee innovation

1. Hybrid ERP
   Enable flexibility while allowing Cook to standardize and digitize paper-based processes

2. Recruitment and Training
   Recruit and train talent specifically to perform in a digitally-enabled, innovative environment

3. Incentives and Innovation Ambassadors
   Change current performance management incentives and using Innovation Ambassadors to drive innovation

Key Benefits:
- Digitize paper-based processes to increase efficiency
- Employee satisfaction and aptitude to deliver superior performance
- Driving innovation through organizational cultural change
Innovation at Cook Medical

We’re ready for your questions.

Hybrid ERP
- ERP Solution Comparisons
- Digital Document Management System

Incentives
- Performance Management Incentives
- Innovation Ambassadors

Recruitment and Training
- SICE Statistics
- Innovation Recruitment Tactics

Other
- Cost Benefit Analysis
- Cloud ERP
### Comparison of Hybrid ERP Offerings

<table>
<thead>
<tr>
<th>Source</th>
<th>NetSuite ERP</th>
<th>Infor ERP</th>
<th>Epicor ERP</th>
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<tbody>
<tr>
<td>Ease of Use</td>
<td><img src="image" alt="Ease of Use" /></td>
<td><img src="image" alt="Ease of Use" /></td>
<td><img src="image" alt="Ease of Use" /></td>
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<tr>
<td>Features and Functionality</td>
<td><img src="image" alt="Features and Functionality" /></td>
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<tr>
<td>Cost</td>
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<tr>
<td>Integration</td>
<td><img src="image" alt="Integration" /></td>
<td><img src="image" alt="Integration" /></td>
<td><img src="image" alt="Integration" /></td>
</tr>
</tbody>
</table>

Sources: Pat Research, Business Software
What is Cloud ERP?

- A type of ERP software that is hosted on a cloud computing platform
- Cloud ERP relies on the cloud rather than proprietary server infrastructure to help companies share information
- Shard database that supports multiple functions used by different business units

What are the Benefits?

- Centralized Management
- Immediate Updates
- Highly Customizable
- Higher Cost Savings

Sources: FinancialForce, Search ERP, Panorama Consulting
Appendix | SICE Statistics

Student Population

3,069 Undergraduate Students

Available Majors

BS & BA in 6 Different Technical Fields

Further Education

Graduate and Research Opportunities
## Innovation Recruitment Tactics

### Referrals
- Own innovators
- Job references
- New hires
- Former employees

### Identify
- Ask employees to look for innovative work
- Look for writing
- Look at patents
- Attend and host innovation conferences

### Qualities
- Disruptors
- Self-directed learning
- Collaborative
- Not discouraged by failure
- Agile communicator

### Vocabulary
- Search for technical terms
- Disruptive
- Leading-edge
- Reinvent
- Creative
- Experimental
- Radical
Appendix | Promoting innovation through performance management/incentives

Don’t Offer Employees Big Rewards for Innovation

by Oliver Baumann and Nils Stieglitz

June 12, 2014

Best Practices

5%-15% reward for employee ideas

Rewarding ideas that are insights-driven

Hub-and-Spoke Model for Innovation Ambassadors

Centralized hub enables coordination of innovation initiatives and innovation strategy

Spoke are filled by business users who understand the business and are peers – they are therefore better positioned to generate buy in from the users

Sources: Harvard Business Review, McKinsey
Innovation Ambassadors at EY

**Connected independence:** We support local office autonomy which allows the ambassadors to leverage and shape the program to their needs.

**Sourcing the crowd:** The best ideas will likely come from unexpected places. Fostering an anyone or anytime framework will require the need to harness these ideas and coordinate with the extended innovation team. Most enterprises that move to this model will require a technology platform to capture these ideas.

Source: EY
## Appendix | Cost Benefit Analysis for the first year

<table>
<thead>
<tr>
<th>Costs</th>
<th>Benefits</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Hybrid ERP Expenses</strong></td>
<td><strong>Hybrid ERP Costs Savings</strong></td>
</tr>
<tr>
<td># of Employees with Access</td>
<td>One Time Cost Savings $22,000,000.00</td>
</tr>
<tr>
<td>NetSuite Monthly Cost Per User</td>
<td>Paperless Cost Savings $540,000.00</td>
</tr>
<tr>
<td>Base Monthly License Fee</td>
<td>Total IT Benefits $22,540,000.00</td>
</tr>
<tr>
<td><strong>Total IT Expense</strong></td>
<td></td>
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<tr>
<td>$1,199,988.00</td>
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</tr>
<tr>
<td><strong>OCM Expenses</strong></td>
<td><strong>OCM Cost Savings</strong></td>
</tr>
<tr>
<td># of New Employees</td>
<td>Growth from Innovation $12,500,000.00</td>
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<tr>
<td>Monthly Cost Per Hire</td>
<td>Total OCM Benefits $12,500,000.00</td>
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<td><strong>Total Labor Expense</strong></td>
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<td>$21,492,000.00</td>
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<tr>
<td>Annual Workshop Costs</td>
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<td>$3,000.00</td>
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<tr>
<td><strong>Total OCM Expense</strong></td>
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<tr>
<td>$21,495,000.00</td>
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</tr>
<tr>
<td><strong>Total Costs</strong></td>
<td><strong>Total Benefits</strong></td>
</tr>
<tr>
<td>$22,694,988</td>
<td>$35,040,000</td>
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<tr>
<td><strong>ROI</strong></td>
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<tr>
<td>54%</td>
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</tbody>
</table>

Sources: Middle Market Center, RSM, PwC