



Case Study



# Kyowa Kirin builds, operates and maintains ERP infrastructure to support its global strategy

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## Business situation: Urgent need for global operations support

Kyowa Kirin is a Japan-based global specialty pharmaceutical company. In its 2021-2025 business plan, the company focuses on continued growth with an emphasis on global strategic products. It aimed to standardize and innovate operations worldwide. Maintaining its ERP as a core system is essential to Kyowa Kirin's global strategy.

As the ratio of overseas to Japanese sales increased, the company needed to implement an IT infrastructure that could support its business operations in regions such as North America, Asia Pacific and EMEA (Europe, Middle East, and Africa).

"Since the group companies in each region had been managing individual systems that had minimal functions, mainly accounting systems, it was impossible to understand the sales and management situations of overseas companies in real-time," says Mr. Takuo Hirose, global information and communication technology head of Kyowa Kirin Co., Ltd. "Specifically for North America, we replaced the existing system with a new infrastructure," he explains. "For Asia Pacific, we set up a regional headquarters in Singapore, so we needed to introduce an ERP system that could manage the entire region centrally."

**"For EMEA, as we acquired companies that had different businesses and IT systems, it was our challenge to migrate their independent and separate IT systems to an integrated infrastructure."**

- **Takuo Hirose**  
Head of Global Information and Communication Technology  
Kyowa Kirin Co., Ltd.

Kyowa Kirin built an ERP system to support the business operations of the formerly isolated overseas group companies in each region.

## Solution: Proactive SaaS adoption for core business systems

Mr. Hirose says shifting to the cloud was a challenge from a technological perspective. Kyowa Kirin chose [Microsoft Dynamics 365](#) Finance & Operations (FO) – a Software-as-a-Service that runs on [Microsoft Azure](#) – as its ERP system and migrated its IT infrastructure to a cloud-first service model. The decisive factor for Dynamics 365 FO was the cost.

"We found Microsoft Dynamics 365 FO to be highly compatible with our systems, especially since one of our overseas group companies was already using Microsoft Dynamics GP, which is business accounting software," says Mr. Masanori Yamamoto, a system analyst in the Enterprise Solution Group, ICT Solution Department at Kyowa Kirin. "We also appreciate its compatibility with our policy of utilizing Microsoft Azure as a cloud Infrastructure-as-a-Service platform."

The ERP introduction began in Asia Pacific. It was then implemented in North America, where the immediate need was greatest. Preparation to migrate the current ERP, including a feasibility study, was conducted in EMEA.

We participated as a development partner for the project in EMEA. "Avanade was one of the top contenders for the development partner selection from the start," Mr. Hirose says.

**"Due to the coronavirus outbreak, we needed to implement multiple overseas development projects in parallel remotely, so we requested Avanade devise a plan for the build phase in the EMEA region."**

- **Takuo Hirose**  
Head of Global Information and Communication Technology  
Kyowa Kirin Co., Ltd.

The reasons for selecting Avanade were our abundant development results, know-how, global readiness and insight about Microsoft technology, particularly Dynamics 365 FO in the cloud. "As the existing ERP was to be replaced in EMEA, the users in the field wanted the same functions as they had with the previous system," Mr. Yamamoto says. Kyowa Kirin wanted business processes aligned with the Dynamics 365 package specification as much as possible, with minimal customization.

"To discuss the solution that meets the business requirements while minimizing customization, we asked Avanade to take an agile-like approach by creating a mockup and allowing stakeholders to experience and review it to refine the specifications. This early involvement of end users enabled us to quickly develop the system while keeping unnecessary customizations to a minimum. This resulted in the highest level of understanding of the system in EMEA, which was a positive side effect," he says.

## Results: Global ERP maintenance of overseas group companies

"We entrusted the operations of Asia Pacific and North America to Avanade at one-stop," Mr. Hirose says. In addition to our global readiness, "through the experience of providing support to the user departments in our EMEA region as an adviser, Avanade deepened its understanding of our company's business."

**"Whenever we had a question about the operation, Avanade provided support, not just by answering our inquiry, but also by proactively helping to resolve any issues we identified. They created documents, assisted us when similar problems arose and suggested improvements."**

- Masanori Yamamoto

System Analyst, Enterprise Solution Group, ICT Solution Department, Kyowa Kirin Co., Ltd.

As a result of the global Dynamics 365 FO implementation, Kyowa Kirin proceeded with business standardization and optimized system investments. Business processes that were previously different in each region can be controlled at the headquarters in Japan because they have been standardized on the same platform. An infrastructure has been established that enables the integrated management of processes and data.

A structure has been put in place to manage finance and accounting, and also the supply chain to plan optimal supply and demand balance globally.

"Our next challenge is to further integrate our ERP infrastructure in Japan and realize supply chain optimization and business management sophistication globally," says Mr. Hirose. "We want to put in place a globally integrated data usage infrastructure."

### About Kyowa Kirin Co., Ltd.

Founded in 1949 (Showa 24), the Kyowa Kirin Group companies strive to contribute to the health and well-being of people around the world by creating new value through the pursuit of advances in life sciences and technologies. As a Japan-based global specialty pharmaceutical company, the company utilizes diverse drug discovery technologies, such as its unique antibody technologies, to discover innovative new drugs. <https://www.kyowakirin.co.jp/>



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