



CASE STUDY

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Netmagic Helps Pharmaceutical and CPG Company with Reliable, Robust Infrastructure and Adherence to Compliance with Audit Services

Life Sciences companies have been making headway in the global scene for over 100 years. Companies in the medical devices, pharmaceuticals and consumer packaged goods face a marketing environment with fragmentation across customers, and with a limited commercial window in which to maximize sales outcomes. So it becomes critical for them to address some core challenges that they face in the market currently.

Some of the challenges facing the industry are:

- ▶ High pricing pressure and managing a healthy profit share
- ▶ Reducing the time-to-market for new products
- ▶ Coping with impact of healthcare reforms, fragmented consumer approaches
- ▶ Optimizing R&D spends
- ▶ Enhancing the quality of products and processes – specially with legal issues being so rampant
- ▶ Adapting to compliance requirements due to stringent regulations
- ▶ Capturing and growing in emerging markets

Leadership in this market depends on the incumbent's set of three commercial capabilities – marketing excellence, sales force excellence, and commercial operations. They would also need to put in place strong organizational capabilities to sustain performance and manage rising complexity, collaborate with stakeholders within and outside the industry, and adhere to rising regulatory and compliance norms within the healthcare and pharmaceutical industry.

ABOUT The Client

The client is a global medical devices, pharmaceutical and consumer packaged goods company with leading foothold in the Indian market for over 50 years. In India they employ over 2000 people and the businesses span Consumer, Medical Devices & Diagnostics, Pharmaceuticals and Vision Care.

The client was challenged with managing hosting of a few servers running a business critical application – their Dealer Management System – that they wanted to be managed by a third party provider. They were looking to manage their dealer network of over 300 within India, through this application.

While the hosting of a few servers may sound simple enough, it is the nitty-gritties involved that makes it challenging. The company being a global giant in the industry is very stringent in their norms and outsourcing policies – in adherence with prevalent global compliance and regulatory requirements.

In this case, the client was looking for a partner who will comply with their Business Partner Risk Assessment (BPRA) norms, manage the entire hosting and adhere to their disaster recovery (DR) policies, and abide by their global security policies.

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What did the Company do to address these challenges? What solution suited the purpose?

It started in 2009 when they were looking for a hosting partner to collocate their 2 servers initially.

Netmagic was chosen to host these 2 servers and manage the same. Netmagic completed the **Business Partner Risk Assessment (BPRA)** questionnaire and successfully got selected as the preferred partner.

The client's Dealer Management System with their database is hosted on these servers – windows based servers. For 6 months these servers were used to test for robustness, reliability and availability of the service provider.

Within 6 months of operations the client placed another order for additional 4 servers – now that the client was happy with the services of the provider under various parameters that were critical to the clients need for this application – **robustness, reliability and availability.**

The application – Dealer Management System – is managed by the client's internal IT team. **Management of the server** that hosts this application, and the **database management** are done by Netmagic.

To adhere to their Disaster Recovery (DR) policies, Netmagic also provides Peta Vault storage as backup services wherein they do online backup.

In 2012 the client conducted a **Vulnerability and Penetration Testing (VAPT)** in adherence to their **global security policies**. Netmagic was given the responsibility of managing the security of the servers hosting the application. The client wanted to comply with each aspect of the BPRA sheet – and Netmagic helped by **upgrading the infrastructure** to meet the security needs, and also **provided 6 SSL certificates**.

The criticality of the application was that the servers also had **financial data from their dealers**. It was important that the service provider also understood the criticality of adhering to the customer's compliance and security requirements. To fulfill the customers requirement on compliance, Netmagic contracted with a Big 4 Audit firm to provide an independent auditors opinion on the effectiveness of controls (Service Organization Controls) at Netmagic based on the **ISAE 3402 standard**.

The Audit

The Audit firm evaluated the design of the controls, whether the controls were placed in operation and whether the controls operated effectively during the period under review.

The domains in scope for the audit are as below:

- ▶ HR Processes
- ▶ Training / Education
- ▶ Physical Security
- ▶ Environment Protection
- ▶ Service Delivery
- ▶ Logical Security
- ▶ Computer Operations
- ▶ Incident Management

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Why did the Company close on Netmagic Solutions to become the technology partner?

One of the key reasons for choosing Netmagic to be their technology partner was the provider's ability to bring in solutions and services that would address the clients' challenges under one roof. The flexibility of tweaking solutions to clients need was a key factor in clinching this partnership.

Key to choosing the right partner was the adherence to the clients BPRA guidelines, which Netmagic was able to do successfully. Netmagic's ability to understand the client's criticality of the solution provider was another key factor that landed them with more services to manage.

Netmagic currently hosts the application on a robust and reliable infrastructure with 99.99% availability, manages the infrastructure, provides back up services, and manages their security of the application and infrastructure based on policies set by their global IT teams.

Netmagic provides a comprehensive basket of services for IT infrastructure management. For the client, this meant that as their business grew either through acquisitions or organically, their IT infrastructure could too seamlessly scale up.

In IDC and managed hosting, the Netmagic offerings included collocation services; dedicated hosting; bandwidth services; managed backup and storage; managed load balancing; and firewall services. In infrastructure management, the Netmagic InfraManage solution covered administration, operations and management of IT infrastructure.

One of the strongest reasons that clients chose Netmagic was the fact that Netmagic offered a depth of capability and expertise well beyond the contracted requirements. This means that when the client needs to scale up their business, they could easily do so without their IT infrastructure and its management becoming a constraint. The feather on the cap was to provide the customer with an independent opinion on the service organization controls which helped the customer adhere to their compliance and regulatory requirements.

Figure 1.1 shows the solution and flow of activities that helps the customer adhere to their compliance need.



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IDC & Managed Hosting

BENEFITS Derived

The solutions provided by Netmagic have been in production since 2009. The client runs their Dealer Management System with critical data on reliable and robust infrastructure with 99.99% availability guaranteed to them by Netmagic.

Their compliance norms for security and disaster recovery policies are being adhered to and completely managed 24x7 by Netmagic. They have been able to reduce cost and complexity with the outsourcing deal with Netmagic.

The client is able to achieve 24x7 availability and monitoring of IT infrastructure to enable proactive & significantly reduced disruptions to operations.

Service Auditor Report from Netmagic helps the Client receive valuable information regarding the organization's controls and the effectiveness of those controls. They receive a detailed description of the controls and an independent assessment of whether the controls were suitably designed, placed in operation and operating effectively (in the case of a Type II report). It helps the client provide the Service Auditor's Report to their auditors, which greatly assist the user auditor in planning the audit of the user organization's financial statements.

The client is on a growth trajectory in India and partnership with Netmagic with their flexible solutions and robust and reliable infrastructure.

For further information, log on to www.netmagicsolutions.com or mail to marketing@netmagicsolutions.com