

Elanco reaps the benefits of Greater KL's conducive business ecosystem

A mature talent bank, supportive infrastructure and accommodative policies have allowed multinational corporations to professionalise their regional shared services at greater speed.

When Elanco Animal Health Ltd completed its separation from global pharmaceutical company Eli Lilly, it was an easy decision for the company to establish a shared service centre in Greater KL, supporting its global operations together with a similar centre in Warsaw, Poland, as part of a "follow the sun" model.

Prior to the separation, Eli Lilly had a well-established shared service centre here, so transitioning the expertise, experience and systems of this centre to the newly independent Elanco was a relatively straightforward process despite the move taking place during the Movement Control Order (MCO) period. Greater KL's mature business service ecosystem helped to ensure the transition was not hampered by challenges brought on by Covid-19.

Elanco is a global leader in animal health, dedicated to innovating and delivering products and services to prevent and treat disease in farm animals and pets. Headquartered in Indiana, the US, and with nearly 70 years of animal health heritage, some of the company's well-known global brands include Seresto, Advantage, Advantix, Advocate, Rumensin, Tylan, Surmax and Hemicell.

Greater KL's mature shared services business ecosystem meant that Elanco was able to find experienced professionals to deliver the company's targets for transition and business support efficiently and at speed.

The decision to locate the shared services centre in Greater KL proved to be prescient as Covid-19 meant that employees faced unprecedented working conditions while completing the divestment of Elanco's systems and processes from Eli Lilly. The team also had to standardise transactions and provide customer-centric operational services that complied with the requirements of all the countries in which Elanco operates.

"We had 20 employees before the first lockdown was imposed in 2020 to prevent the spread of Covid-19. We were ready to recruit another 70 employees when the business environment changed unexpectedly, and work had to be done at home," says Yvonne Wee, director of Elanco Solution Centre at Elanco Malaysia Sdn Bhd.

"Despite the challenges, we were able to leverage Greater KL's supportive ecosystem and mature talent pool to meet our changing needs during this difficult time."

She adds that Elanco also benefits from the multilingual capability of its local employees and their positive work attitude, as well as Greater KL's strategic location in Asia.

A knowledgeable talent pool with well-honed skills

Elanco currently has 100 employees at its shared services solution centre based in Greater KL. Only about 6% of the team are foreign nationals, recruited specifically to serve countries that require native speakers.

"The team in Malaysia provides regional shared services solutions such as customer service, core accounting transactions and customer-facing activities. We also host regional functions, including supply chain and treasury," says Wee.

"The highly skilled workforce in Greater



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KL has allowed us to hire professionals who are able to deliver value and perform at a level required by our fast-moving global business centre. The experienced talent pool means that we can also recruit experienced talent that are able to embrace a start-up culture," she adds.

"Although Elanco is a 65-year-old company, the divestment from Eli Lilly meant that we had to do many things from the ground up. Our experience defies the perception that shared services is a mundane industry. There was a lot of learning that we had to do to establish operations.

"Furthermore, as an animal health company, and our roots that stem from a pharmaceutical company, means that all processes and systems have to comply with strict regulations. All of these were put in place during the pandemic."

Another notable characteristic of the local workforce employed by Elanco is its relatively low attrition rate. Employee turnover causes problems in all industries, especially in the digital age where demand for skilled and experienced workers usually exceeds supply.

Wee notes that the attrition rate for start-ups ranges from 30% to 40%. At Elanco, the attrition rate is only about 17%. She attributes the low employee turnover to being able to employ professionals that fit the company's culture. New recruits are also given a clear picture of what they can expect from Elanco and what is expected of them.

There are opportunities for Elanco's employees in Malaysia to advance their career as the company completed its acquisition of

Bayer Animal Health in 2019. This acquisition, valued at US\$6.89 billion, expanded Elanco's scale and capabilities and strengthened the company's position as a global leader in the animal health industry.

Wee says opportunities will be given to employees to progress their career and take on a bigger role as Elanco integrates Bayer's operations across the board. The plan is to grow the local shared services solution team by 30% to 40% so it can meet the company's ambitious target of providing regional shared services for the combined portfolio of customers by 2023.

Achieving synergies and moving up the value chain

Elanco's global environmental, social and governance (ESG) initiatives have been incorporated into its strategy and operations, earning recognition from others such as Fortune's 2021 Change the World list. The list recognises companies that have made an important social or environmental impact through their profit-making strategy and operations — doing well by doing good.

Elanco's sustainability and ESG efforts aim to provide animal-related solutions to some of society's greatest challenges, including hunger and climate change. For example, the company has committed to expanding its shared value footprint as part of its pledge to create more resilient food systems by 2030, helping to improve the efficiency and sustainability of every farmer the company works with, improve the health and welfare of three billion farm animals, and support and enhance agricultural productivity and income of 250,000 dairy and poultry smallholders.

For its business operations, Elanco plans to leverage its extensive integration experience, its start-up culture and ownership mindset to integrate Bayer's business and operations efficiently and quickly around the world.

"The pandemic has impacted many companies, including Elanco. We are still seeing issues with our supply chain, but the outlook for our business is promising. Hence, our ambitious plans to integrate Bayer's business into Elanco's systems, processes and transactions in a relatively short period," says Wee.

"Our focus is to get a strong foundation for our merged business in place. Once this is done, we can move up the value chain and look at implementing data mining productivity tools and robotics process automation (RPA)," she adds.

Elanco's plans are aligned with Malaysia's national agenda such as the National Policy of Industry 4.0 (Industry4WRD), which aims to develop Malaysia as a high-tech nation, and the Shared Prosperity Vision (SPV) 2030, which has a target for the digital economy to contribute 22.6% to the country's GDP by 2025.

Wee notes that Elanco has benefitted from the support of government agencies such as InvestKL and Malaysia Digital Economy Corporation (MDEC). "InvestKL is very supportive and a great source of credible information during the pandemic. We also leverage the agency's Fit4Work initiative, a talent training programme to tap into the various managerial level talent pools."

Greater KL provides skilled talent pool for strong and sustainable growth

By Muhammad Azmi Zulkifli, CEO of InvestKL

Creating a vibrant ecosystem for multinational corporations (MNCs) to thrive by nurturing a talent pool that meets the future needs of industry is a continuous effort in Malaysia's national growth outlook.

The future of work has changed, along with what employees expect in the new normal. We are seeing the rise of new occupations; certain expertise is now in more demand than ever with specific skill sets and competencies required on the job. In Greater KL, we see a promising trend in the rise of a workforce that can compete regionally, providing a competitive edge to MNCs' operations here.

This is a workforce that is competent with business-ready skills, proactive, adaptable and, most importantly, experienced. Access to this talent pool provides MNCs with a competitive global business service (GBS) operating model in the current digital business environment that is marked by global mergers and acquisitions (M&A).

Companies such as Elanco Animal Health Ltd are fast building global, independent industry leaders that are supported by cost-efficient, optimised and effective manufacturing and GBS support facilities. Here, Elanco Malaysia Sdn Bhd was able to rise to the challenges posed by the pandemic in 2020 and establish a regional business service support centre to support its operations across 13 Asean countries in just over a year.

Its achievement was enabled by Greater KL's cost-efficient strategic location, highly skilled and experienced talent pool as well as conducive government policies and programmes.

By nurturing an ecosystem that supports global business services in the current dynamic and agile business environment, MNCs can reap cost and technological synergies from their M&A activity by incorporating new business units at speed while providing customer-centric services.

InvestKL understands the need for a talent pool with cross-functional knowledge and skills to realise the potential of GBS in a post-pandemic world. Our programmes such as Fit4Work develop the skills and experience needed by GBS to cultivate high-performing teams that can deliver in unprecedented situations.

On their part, MNCs such as Elanco offer high-value jobs with compelling employee value propositions, attractive career paths and continued opportunities for learning and development. This is the synergistic environment that fosters a talent pool capable of delivering value-intensive, technologically advanced and cost-optimised GBS capabilities.



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