Abiomed Inc., which trades on the NASDAQ under the symbol ABMD, provides innovative, next-generation heart circulatory support and recovery products that help heart patients around the world realize a better quality of life. The company’s rapid growth and expanding sales base exposed the limitations of its legacy IT infrastructure. Abiomed implemented the SAP® Business All-in-One solution to manage its continued growth with greater control and to streamline operations and improve leverage of corporate data.

**SAP Business Transformation Study**
Life Sciences – Medical Devices

**QUICK FACTS**

<table>
<thead>
<tr>
<th>Industry</th>
<th>Life sciences – medical devices</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
<td>US$51 million (FY 2007)</td>
</tr>
<tr>
<td>Employees</td>
<td>More than 300</td>
</tr>
<tr>
<td>Headquarters</td>
<td>Danvers, Massachusetts</td>
</tr>
<tr>
<td>Web Site</td>
<td><a href="http://www.abiomed.com">www.abiomed.com</a></td>
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</table>

**SAP® Solution and Services**
SAP® Business All-in-One solution

**Implementation Partner**
Answerthink Inc.

**Key Challenges**
- No support for existing systems by vendors
- Excessive manual compliance efforts
- Multiple homegrown and proprietary systems as a result of overloaded primary legacy system
- Growing requirements for added visibility into manufacturing operations
- Inability of systems to scale to support growth
- Failure of tools to support existing processes
- Missing critical analysis and reporting functions

**Why SAP Was Selected**
- A preconfigured solution driven by ASAP, SAP’s implementation methodology
- Strong control and compliance functionality of SAP® software, critical for any publicly traded company
- Comprehensive global support for Abiomed’s strategic high growth objectives
- Broader solution coverage than Microsoft, Oracle, and all other evaluated solutions

**Implementation Best Practices**
- Guided by strong governance and steering committee
- Stayed true to ASAP methodology and road map
- Relied on Answerthink consultants
- Supported by consistent commitment from functional areas
- Mapped employees to Answerthink consultants
- Leveraged small pieces of the SAP Solution Manager application management solution

**Low Total Cost of Ownership**
- Implemented enterprise resource planning in 6 months, on time and on budget
- In first 12 months of running SAP software, no net increase in IT headcount, despite doubling in size
- Eliminated 35 applications so far to simplify the IT landscape and reduce the cost of landscape operations
- Remained a Microsoft shop

**Financial and Strategic Benefits**
- Executed growth strategy that doubled revenues since 2004
- Increased visibility into organization’s data
- Maximized the use of fewer tools across the enterprise
- Automated highly manual expense-payment process

**Operational Benefits**
- Reduced time to complete financial close by approximately 50%
- Reduced time and expense payments processing by approximately 90%
- Improved visibility into manufacturing operations, inventory turns, and scrap supplies
Abiomed’s strategy is centered around enhancing the standard of care for acute patients by offering a full spectrum of circulatory care in the cath lab and surgery suite. We currently have several products pending FDA approvals or clearance, and we have significantly invested in our global distribution. Our investments in SAP in the United States and Europe provide a strong platform of capabilities for business decision tools and analysis to support our growth.”

Daniel J. Sutherby, Chief Financial Officer, Abiomed Inc.

To Prepare for Accelerated Growth, Abiomed Replaces the Heart of Its IT

With revenues doubling between 2004 and 2007, Abiomed Inc. is now the global leader for products in the acute heart failure market. Headquartered in Danvers, Massachusetts, Abiomed ships more ventricle assist devices than any other company in the world. In 2005, the company was preparing to acquire Germany-based Impella CardioSystems GmbH and its breakthrough ventricular catheters – a move that would increase Abiomed’s sales base manifold in the United States and accelerate its growth. To manage this growth, Abiomed realized it had to replace the heart of its own IT infrastructure.

“Our existing systems were no longer supported,” says Daniel Lubin, Abiomed’s director of information technology. Over the years, a landscape of many homegrown and point solutions and more than 100 databases and applications had evolved. “As a result,” says Lubin, “we had a lot of manual effort around compliance. Our growth increased our requirements for visibility into our manufacturing operations. We were missing critical analysis features. And most importantly, our systems couldn’t scale to accommodate our growth. What worked in the United States did not work overseas.”

Abiomed Implants SAP® Software Into Its Operations

The search for an integrated enterprise resource planning solution for Abiomed coincided with Lubin’s arrival there in April 2005. Assisted by Answerthink as implementer, Abiomed’s project team evaluated many options, spending over 1,500 hours in due diligence before narrowing the field to solutions from Microsoft, Oracle, and SAP.

Abiomed selected the SAP® Business All-in-One solution. “SAP gave us the most global and comprehensive solution,” says Lubin. It satisfied the corporate mantra of “grow anywhere, grow any way.” Observes Lubin, “You can do so much. With SAP software, if we decide to do aircraft maintenance, we could.” In addition, SAP software met Abiomed’s requirements for Sarbanes-Oxley compliance. “The control and compliance environment in SAP [software] is fantastic,” Lubin says.

During implementation, Abiomed followed the ASAP methodology and roadmap closely. “The amount of effort SAP has put into ASAP – into the approach of implementing SAP [software] and defining best practices – really sets it apart from other vendors,” says Lubin. The result was a fast, 6-month implementation that achieved go-live in July 2006. “We billed and shipped the same day,” says Lubin.

Business Benefits Undergo Transformation at Abiomed

Prepared for the rapid growth to come, Abiomed is meeting its future with improved visibility into its manufacturing operations and inventories. Its integrated SAP Business All-in-One solution has enabled the elimination of 35 applications. Automation completely replaced the manually intensive expense-payment process. And Abiomed is becoming more skilled every day at extracting meaningful data and using the functionality of SAP software.

All this, with no increase in IT headcount. “It was 7 when I came onboard, and it is 7 today,” says Lubin. “We built a great operational process to manage the growth we know is coming,” he concludes. And as the growth increases at Abiomed, so will SAP solutions. Abiomed now has its eye on the SAP Product Lifecycle Management, SAP Supply Chain Management, and SAP Supplier Relationship Management applications.

Implementation Partner
Answerthink Inc. is a leading business and technology consulting firm that enables companies to achieve world-class business performance.