Chemicals and ERP in the Experience Economy
Key Business Drivers in Chemicals

99%

of the top 100 global chemical companies run SAP® software

90%

of industry growth is captured by companies that offer engaging experiences

>50%

of organizations will rely on AI to drive supply chain transformation

STRATEGIC PRIORITIES

Deliver Tangible Results
Collaborate with customers, and become part of their value chains, using digital technology to deliver innovative chemical products and business outcomes

Shrink Time to Market
Run simulations and predictive models in real time to reduce time to market, streamline operations, and maximize asset performance

Integrate with Ecosystems
Capitalize on open innovation, leverage extended production networks, go beyond the boundaries of existing value chains, with the ability to flexibly redesign networks and relationships in line with market dynamics

"Quickly adapting to change – foreseen and otherwise – is the critical, central capability for every organization. Systems and technology must be an enabler to this change, not an impediment."

Simon Ellis, Program Vice President, IDC
Chemicals Producers Are Driving New Business Models

Chemicals quality remains paramount. This demands greater integration with vendors and customers and the enabling of new business models. These aim to take advantage of opportunities for sustained, value-added relationships while maintaining complete control over product quality across the supply chain, building long-term relationships with partners with a deep, frequently real-time understanding of evolving wants and needs.
Traditional Processes Are No Longer Good Enough
Example: Traditional Value Chain
Sales order capture

Challenges

Distributor-limited customer relationship

Product transactions

Value-based relationships

Usage visibility

Equipment usage optimization

Outcomes

Lack of customer insight

Race to the bottom

Limited revenue opportunities

Negative environmental impact

Increased costs, frustrated customers

Direct customer contact is limited, resulting in poor ability to influence sales

Competitive differentiation is limited to transactions based on products and their prices

Profitability depends on the volume of products sold rather than the value delivered

Suboptimal agrochemicals usage negatively impacts environment due to limited insight into the best way to treat a field

Equipment breakdowns cause critical and time-consuming delays

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Enabling Better Customer Experiences in Chemicals
Example: Integrating with Ecosystems to Unlock Superior Value
Outcome-based sales, contracting, and billing
- Automated, high-volume invoicing
- Integration of IoT sensor data for usage monitoring
- Real-time monitoring
- Intelligent failure prediction
- Impact simulation
- JIT maintenance order creation
- Automated risk identification
- Optimized service parts inventory

Meeting the customers need with assured value and managing their working capital
- Predictive usage rather than time-based maintenance increases equipment life and availability

Key capabilities delivered
- Directed marketing: Granular customer and product insight, Contextual, consistent, and relevant sales experiences across channels, Real-time inventory visibility, “Unlimited” simultaneous material movements
- Guided selling: Real-time analytics provide decision support to company and customers, Embedded available-to-promise functionality, Flexible allocation management capabilities
- Outcome-based business models: Outcome-based sales, contracting, and billing, Automated, high-volume invoicing
- Smart machine connectivity: Granular production insights, Sensor-based real-time data
- Predictive maintenance: Real-time monitoring, Intelligent failure prediction, Impact simulation, JIT maintenance order creation, Automated risk identification, Optimized service parts inventory

Intelligent technology outcomes
- Directed marketing: Real-time product availability improves customer conversion
- Guided selling: Intelligent selling based on guided needs reduces time required to capture and fulfill orders
- Outcome-based business models: Meeting the customers need with assured value and managing their working capital
- Smart machine connectivity: Accurate usage monitoring avoids overfeed and environmental impact
- Predictive maintenance: Predictive usage rather than time-based maintenance increases equipment life and availability

SAP S/4HANA® customer achieve
- 10%–20% increase in customer satisfaction
- 10%–15% reduction in order lead times
- 10%–20% increase in revenue from new products
- 10%–20% reduction in operating costs
- 5%–10% decrease in unplanned asset downtime
What Industry Leaders Are Doing Today

Examples
Challenges
• Food and beverage industry innovator Döhler strives to turn new ideas into real market success. To achieve this goal, the company needed to:
  • Speed up sales conversions and enable more accurate growth projections
  • Consolidate highly customized and specialized systems
  • Deploy a solution that can handle larger business volumes
  • Integrate a tool that can explode (break down) pricing details in the bill of materials and transfer the result into the standard quotation transaction

SAP S/4HANA Innovations
Döhler deployed SAP S/4HANA across its finance, logistics, and manufacturing lines of business; the pricing option for SAP® Data Maintenance for ERP by Vistex; and SAP Sales Cloud. Now Döhler can work faster with partners and customers to bring new ideas to market.

Benefits
• Greater visibility, with a 360-degree view of processes from all SAP solutions and transactions
• Increased efficiency, with easy calculation of product lines
• Automated material master creation as part of the quotation process
• 90% automation of custom code conversion
• 50% reduction in time required for tender management
• Decreased turnaround time of the calculation of price simulations from several weeks to 3 days

“We have chosen SAP Data Maintenance for ERP by Vistex because there are no comparable alternatives on the market. Together with SAP S/4HANA and SAP Fiori® it helps us respond faster to our customer requirements.”

Dr. Marco Lenck, CIO, Döhler GmbH
What Industry Leaders Are Doing Today

Ballance Agri-Nutrients

Challenges
The heart of Ballance Agri-Nutrients is helping farmers create sustainable, viable businesses. To drive better on-site productivity and profitability for its farmers, Ballance needed the right foundation for establishing its company’s digital future. To achieve that, the company needed to:

- Provide a smooth, contextualized customer experience
- Turn raw data into information to support decision making
- Simplify business processes to save time on administrative tasks
- Support the vision of a “connected farm” for new business opportunities

SAP S/4HANA Innovations
Placing SAP S/4HANA and SAP BusinessObjects’ business intelligence solutions at its digital core with the help of partner Soltius, Ballance is executing operations on a technology road map based on simplification and real-time transactions. SAP solutions are at the heart of Ballance’s digital strategy, helping the company meet its goal of creating a great customer digital experience across every company touch point.

Benefits
- Greater customer engagement through personalized, real-time insights for decision making using online and mobile access
- Better visibility of fertilizer application using geospatial information, helping improve compliance with environmental legislation
- Streamlined, integrated business processes based on a single source of truth
- Less administrative burden, freeing time for new-revenue-generating tasks
- 70% faster order entry times
- 1 second for real-time insights into years of data
- 600% accelerated sales reporting (from 2 hours to 20 minutes)

INDUSTRY EMPLOYEES REGION

Chemicals 750 APJ, New Zealand

“With SAP S/4HANA at the center, we are designing and building solutions that are mobile, intuitive, robust, and valuable, enabling our customers to be more autonomous and productive and to easily do business with us.”

Dave Scullin, Chief Digital Officer, Ballance Agri-Nutrients Ltd
As a major chemical company producing a wide range of specialty products, Kolon Group relied on the SAP ERP and SAP Business Warehouse (SAP BW) applications to manage complex business processes. Since converting SAP ERP to SAP S/4HANA, costs are down and productivity is up.

**Challenges**
- Lower hardware costs caused by rapidly increasing database loads
- Increase efficiency by enabling real-time processes and data access across the group
- Improve visibility with reporting and analytics that are faster, more flexible, and more detailed

**SAP S/4HANA Innovations**
Kolon Group transitioned its ERP system to SAP S/4HANA and the SAP Fiori® user experience, achieving greater work efficiency through enhanced, real-time processing, faster workflows, and a more user-friendly experience. Using SAP® Value Assurance service packages, Kolon Benit received the guidance it needed.

**Benefits**
- Lowered risk of failure and less time to recover
- Reduction of synchronization and disk duplication costs
- Real-time, mobile viewing of inventory, customer, and order information
- Better, more detailed reporting for greater business visibility
- 75% lower IT costs by reducing data storage
- 4.6x-205x faster generation of major supply chain transactions and reports
- Up to 145x fewer period-end closing transactions and improved closing task efficiency

“We have plans to use SAP S/4HANA across the Kolon Group. Thanks to the guidance from SAP Digital Business Services, we will be able to expand this conversion project on our own, following the methods and best practices recommended by SAP.”

SunGui Jun, Director of Operations Management, Kolon Benit, Kolon Group
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