Best Practices for Chemicals

March 5-7
2018

Hyatt Regency, Austin, Texas

Hot Topics
Research Report

eventful CONFERENCES

The Functional Now vs. The Strategic Future

Eventful Conferences has spent the last four months conducting extensive customer-centric research with over 40 chemicals organizations using SAP and 60+ individuals across North America. These participants came from a wide range of functional areas within the chemicals industry including supply chain, manufacturing, IT, development, and leadership roles across organizations. Both business and IT were represented in our interviews and research. To balance the customer research, we also spoke with partners and SAP to hear their perspectives.

We asked these chemicals professionals, through both roundtable discussions and one-on-one conversations, what challenges they faced and their views on the most pertinent issues facing their organizations. From these discussions, five high-level themes emerged. This report summarizes those findings and will serve as an outline for the upcoming Best Practices for Chemicals conference taking place in Austin, Texas on March 5-7, 2018. The event will strive to address the following topics through real-life customer case studies, hands on workshops, in-depth interactive sessions, and SAP expert presentations.

A Collaboration of

eventful CONFERENCES an ASUG company

ASUG Americas' SAP Users' Group

SAP

Table of Contents

1 Analytics - Data & Decisions 04
- Big Data & Reporting
- Technology Enabling Better Decisions

2 Technology - Strategic & Future 05
- S/4HANA: Finance & Logistics
- Leonardo, IoT & Blockchain

3 Customer Centricity - Engagement & Experience 06
- Automation & Digitization
- Becoming Service Based: “Ignoring the customer experience isn’t an option.”

4 Technology - Current & Ongoing 07
- Supply Chain & Logistics
- Business Process Optimization

5 Rapid Change - World & Technology 08
- Globalization & Digitization
- Disruption of Technology - Speed is Changing

Analytics
Data & Decisions

Having sound data to take meaningful action was the thread most common to the various issues and concerns brought up by our chemical industry representatives. The need for data accuracy to drive decision making with standardization and transparency was stressed by all participants in the roundtables and in the interviews. Further, all recognized this as a key point of competitive advantage - that the ability to best leverage data would open up significant possibilities by showing areas for improvement and opportunities for cost savings. Data analysis must encompass simulation capabilities so we can stop getting known answers to known questions. "What if" scenarios will lead to a deeper understanding of the business.

It's impossible, though, to derive these insights and analyses without the proper tools and resources. Chemicals organizations are eager to learn about the myriad reporting tools available and their capabilities. Some of these tools exist nascently within SAP, but many of our research representatives felt they lacked adequate training to fully take advantage of them. Once you have the tools, the training, and the results, organizations want to know best practices to ensure that those insights are actionable and result in meaningful change.

- How do I take my analytics from average to transformative? How can we go from reactive to predictive using my reporting tools?
- What are some ways to best impart the importance of analytics and business decisions to our employees/users? How can I ensure maximum user adoption?
- How can I make sure the right people have the right tools? Sometimes you need photoshop, sometimes you need Instagram.
- What are some ways that I can avoid bad inputs to the system? What are ways to reduce manual input altogether? How do I automate and with what tools or equipment?
- How can I take my company from dashboards and reports to action items and plans? How do I integrate our data into our business model?
- Can I use analytics and leverage my system to reduce individual workloads, or people costs entirely?

Top Issues

1 ANALYTICS

2 BIG DATA

3 S/4

4 CUSTOMER EXPERIENCE

Technology
Strategic & Future

The value of any IT migration is not only in its use case, but also in both its business value (ROI) and its sustainability over the long-term (the "why"). While the use case may be clear, many companies worry that the cost of the migration will not lead to an ROI by the time that a new investment or a new migration is needed. Further, our research found that many in the chemical communities wanted to better understand the path pre-migration and post-migration that would allow them to make the transition with limited disruptions to their business (the "how").

Specifically, organizations are interested to see case studies of those running a fully functional S/4HANA system. Both S/4HANA Finance and S/4HANA Logistics offer significant promise and have a clearly established use case - an obvious "why". Organizations want to see it in action to understand the "how" more fully. Additionally, SAP's announcements and demonstrations of Leonardo have generated interest in what this IoT-powered technology can offer to the industry.

- What is the long-term roadmap for S/4HANA, and how do I know what my future investments will need to be? In other words, what is the sustainability of this investment?
- Can SAP Best Practices help me through this transition? How do I best leverage these?
- How do we migrate with the least impact to my business?
- How do I deal with the customizations or workarounds I already have in place? Should I reconsider my processes and make them better meet the software, instead of making my software meet the process?
- What sort of change management will need to be facilitated to make this implementation as powerful as possible?
- What are the opportunities presented by Leonardo and how can I capitalize on them within my technology plan?
- How will other new technologies like blockchain and edge computing impact my business?
- What opportunities and limitations exist in the cloud? How will licenses and vendors affect my business model?
- What is the migration path onto the cloud and what are the varying specifications? How do I get my IT ready for the migration?
- How does the move to the cloud impact my IT department? What personnel needs and skill sets do I need to consider beforehand?
- How can I handle important industry needs, such as ITAR, in the cloud?

Customer Centricity
Engagement & Experience

In our personal lives, we expect to operate digitally - from music to pictures to videos, we do everything online. We expect an "Amazon" or "Apple" level of digital experience when we interact with consumer facing technology. We have witnessed the "Uber-ization" of parts of the transportation industry, and we can now expect to face the same pressures within chemicals. While mergers, acquisitions, and divestitures are still commonplace, many organizations are now set on modernizing and digitizing their resulting new business units. A new focus on customer experience and customer engagement has accompanied this transition and chemicals organizations want to know how SAP and their technology footprint will enable this transition to the greatest impact.

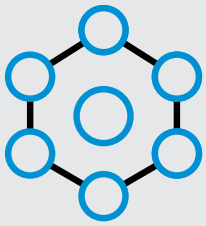
Currently, though, we don't operate in a fully digital way; we still carry forms and clipboards, we input data from those forms manually into computers, and often we rely on others to then manually create additional data from these records. Spreadsheets still proliferate. As a result, we increase the propensity for errors and maintain staff for data entry who could be used elsewhere. Further, we miss reaching the customer expectation that digitization is a new norm and should therefore be integrated into any forward-thinking business.

Chemicals companies are understandably concerned about the future of digitization and the impacts on current and future business processes. Expectations are clearly changing across all businesses.

- What is the ROI or business value of digitization, and how do I capture that? How do I explain functional changes that don't lead directly to profit?
- What's the roadmap for SAP's digital solutions? How can I plan my digitization strategy?
- How do non-SAP platforms interface with SAP's digital solutions?
- What are some applications of IoT in real terms and how easily can I harness them?
- What are the security implications for digitization? What do I need to consider and how is confidential information particularly handled?
- How does digitization relate to mobility? If I go digital, do I also have to have a fully mobile workforce?
- How do I get my suppliers and customers on board with digitization? What happens if I'm fully digital and they are not?
- What is the impact on my workforce and technology needs?

Research conducted in **2 Locations**

Technology
Current & Ongoing



While chemicals organizations maintain an eye for the future, equally important is how they can continue to drive value from the investments they have already made into their current technological landscape. Even without changing or upgrading their own systems, the world around the chemicals industry is rapidly evolving. A more visible, mobile, "real-time" world has impacted supply chain and logistics professionals especially by increasing the speed at which we do business, and changing the expectations of those relying on these business functions. Customer expectations have changed, as customers now want to track shipments and understand logistics in real-time. Geo-political pressures and changing regulations require real-time decision making as well, most of which impacts costs.

Our chemicals company representatives all agreed that supply chain and logistics were foundational areas that can benefit significantly from improvements to current investments. Those are not the only functional areas ripe for optimizations, though. A lack of visibility hinders decision-making, cost analysis, and customer service across the organization, and improved business processes can offer substantial returns in each of these areas.

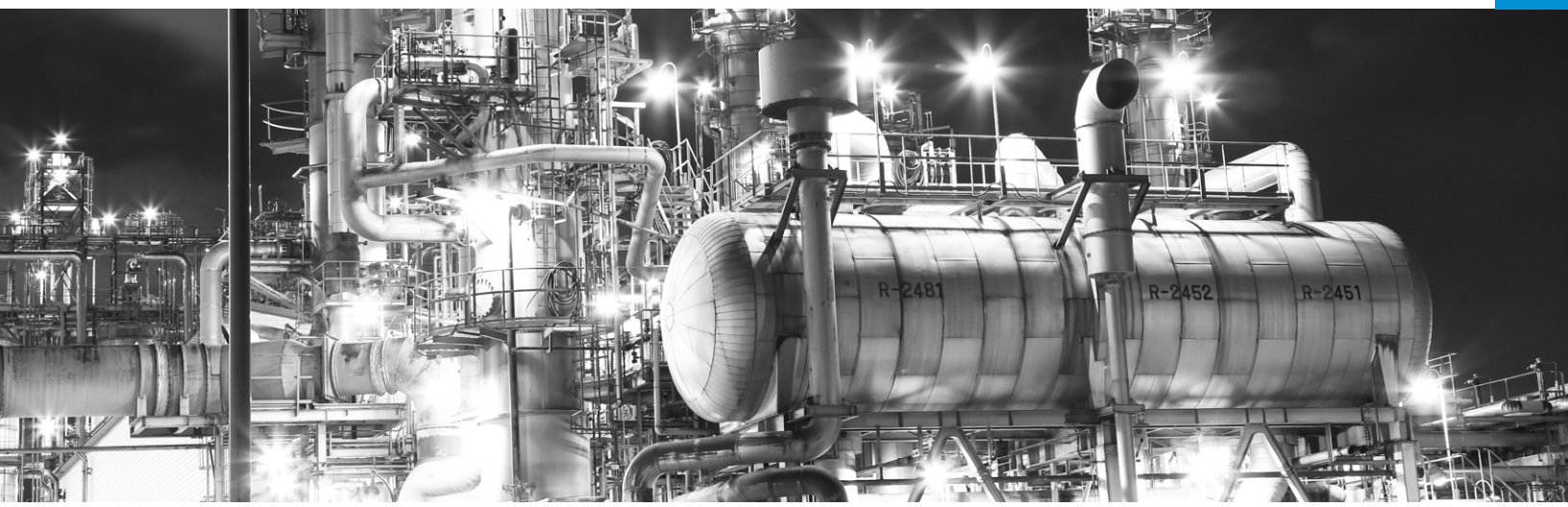
- How can I understand demand and forecasting better? What can I do to better manage materials and manufacturing?
- What is the relationship between Sales and Operational planning? In what ways can I leverage technology and improve processes to streamline?
- How can I best map and understand the interrelations between manufacturing and other aspects of the business?
- How can SAP tools help me with my hazardous raw materials management?
- What can I do to better screen market demand and shifts, and then reflect that back in my own inventory management decisions?
- What tools exist in SAP to support MRP and what case studies can we see of customers using these tools effectively to drive efficiency?
- Available to promise becomes part of core SAP S/4. What does this mean to APO and where should I do this process in the future?
- I need to be flexible in my shipping options to meet customer and business needs. How can I manage the ever-changing options and costs associated so that I can make faster decisions?
- What are some best practices for third-party logistics, especially as it relates to transportation management, shipping, and distribution?
- What SAP technologies are best for managing third-party distributors? How do I create buy-in from distributors to use this technology?
- What are best practices for Supplier Relationship Management?
- How can I leverage SAP to improve procurement governance and sourcing decisions?

Rapid Change
World & Technology

With all things technology - cell phones, computers, internet enabled devices - the pace of change can be overwhelming. And once a product is purchased, many can't help but feel that it has already changed or been updated, before it can be truly leveraged. In an asset intensive industry, this poses a challenge not only in terms of technology investment decisions but also in its effects on our ability to manage change and our staff; processes need to be updated, staff need to be notified and re-trained, or possibly even reconfigured or let go of altogether.

The chemicals industry has been well known to be behind the curve in terms of adopting new technology. This slow pace of change is now becoming increasingly unsustainable. The ever-changing world also poses an identity challenge. As "real-time", "mobility" and "cloud" become business expectations from customers and the marketplace, chemical companies get forced into keeping up with the evolution and quickly changing expectations. As a result, chemical companies often get mired in the logistics and stresses of change, and are understandably interested in best practices for navigating them with greater speed and stamina.

- How can I stay updated with all of these changes!?
- How do I update my business processes and models to address these changes?
- How can I continue to manage customer expectations when they continue to change with the times?
- How can I leverage UX to meet customer expectations?
- What are some knowledge management best practices that can ensure that I retain my knowledge base?
- How can I optimize staff and staff knowledge in a multi-generational workforce?
- How can I reduce time to market without sacrificing product or data quality?
- What are the new routes to market and what technology is out there to help me to get to them?



Conclusion

The challenges, concerns and questions raised in this research report will form the blueprint for the 2018 Best Practices for Chemicals conference, where thought leaders and experts will share their insights and experiences to help you get the most out of your SAP software. Join us in Austin, Texas for Best Practices for Chemicals to connect with your peers and help us power the chemicals community.

Visit the Best Practices for Chemicals website **chemicals.bestpracticeconferences.com** for more information as we announce speakers, keynotes, trainings and more up until the actual event.

Contact Eventful Conferences at 914-509-5354 for more information.

March 5-7, 2018,
Hyatt Regency, Austin, Texas

chemicals.bestpracticeconferences.com

Best Practices for Chemicals

eventful CONFERENCES
an ASUG company