

Best Run Chemical Company Concept BRCC

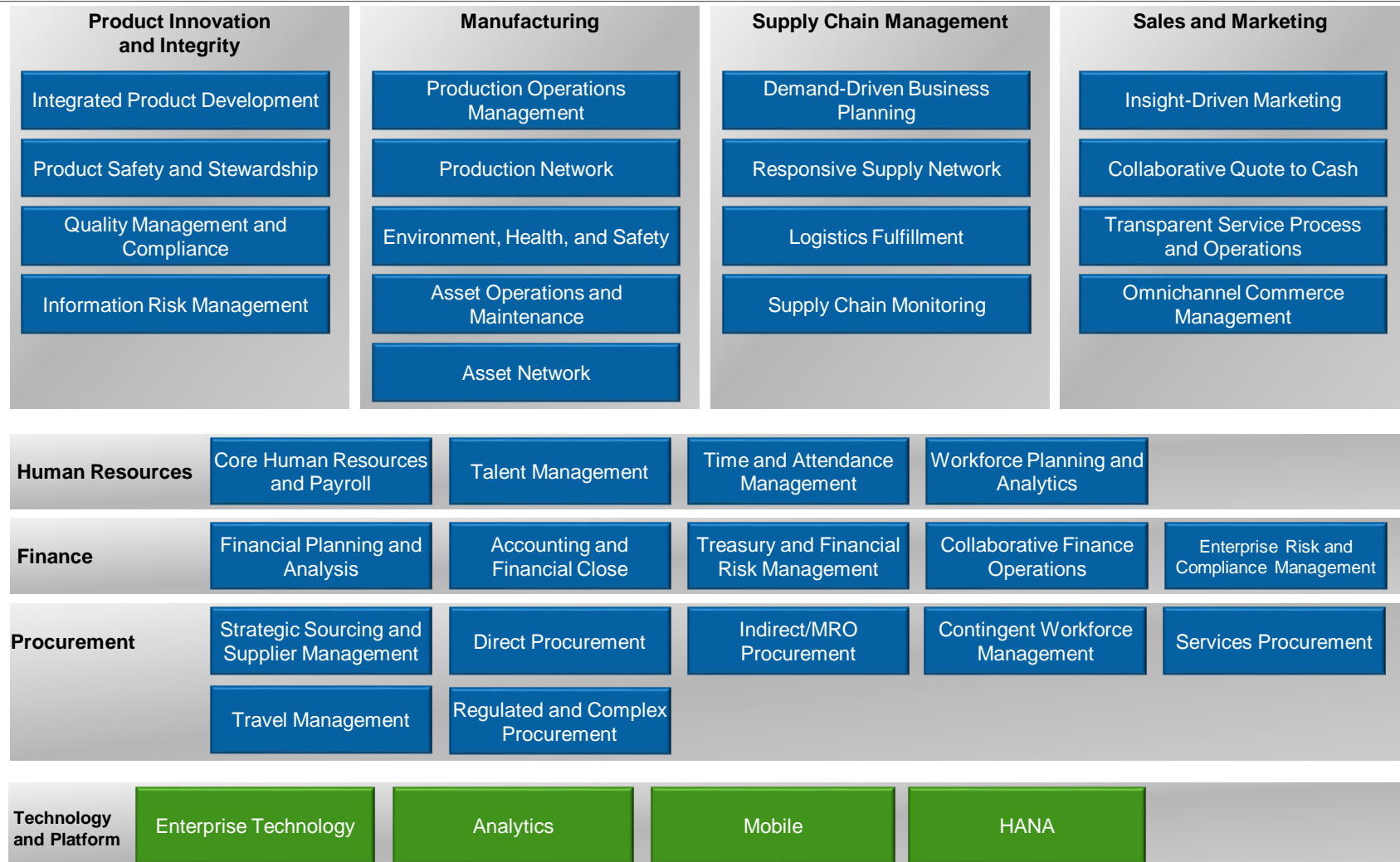
Dr. Thorsten Wenzel – Director Solution Management / IBU Chemicals
SAP ENR Forum Al Khobar / KSA – May 2015

The SAP logo is located in the bottom left corner of the slide. It consists of the letters 'SAP' in a bold, white, sans-serif font, set against a blue rectangular background with a white border. The background of the entire slide is a photograph of a chemical refinery with tall distillation columns and a complex network of pipes under a clear blue sky.

SAP

Value map 2015 for chemicals

Driving performance and growth in chemicals



<https://solutionexplorer.sap.com/solexp/ui/>

Best Run Chemical Company - Concept

Where did this start?

□ An answer to the question:

What have SAP's Best Run Chemical customers done?

□ A single slide to facilitate solution discussions:



Peer Group Selection

SAP IBS IVE

Qualitative assessment of companies' implementations based on conformance to SAP's Best Practices and overall Solution Portfolio for Chemicals.

Gartner Research

Publication Date: 22 August 2011 ID Number: G0019075

2011 Gartner Supply Chain Top 25: Chemical

Paul Lovi, Carl Eby

This research analyzes the performance of chemical companies and process manufacturing and service providers, as well as the challenges of globalization and operations.

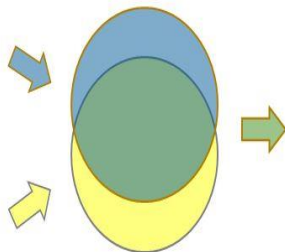
C&EN

CHEMICAL & ENGINEERING NEWS

Global Top 50 Chemical Companies for 2011

chemicalweek

Billion Dollar Club



Best-Run Practices

- Single ERP solution for accurate and timely reporting.
- Uniform and consistent product costing methodology used across the business.
- Single, real-time globally-integrated General Ledger system.
- Consolidation of existing Company Codes to represent Legal Entities.
- Multi-currency functionality.



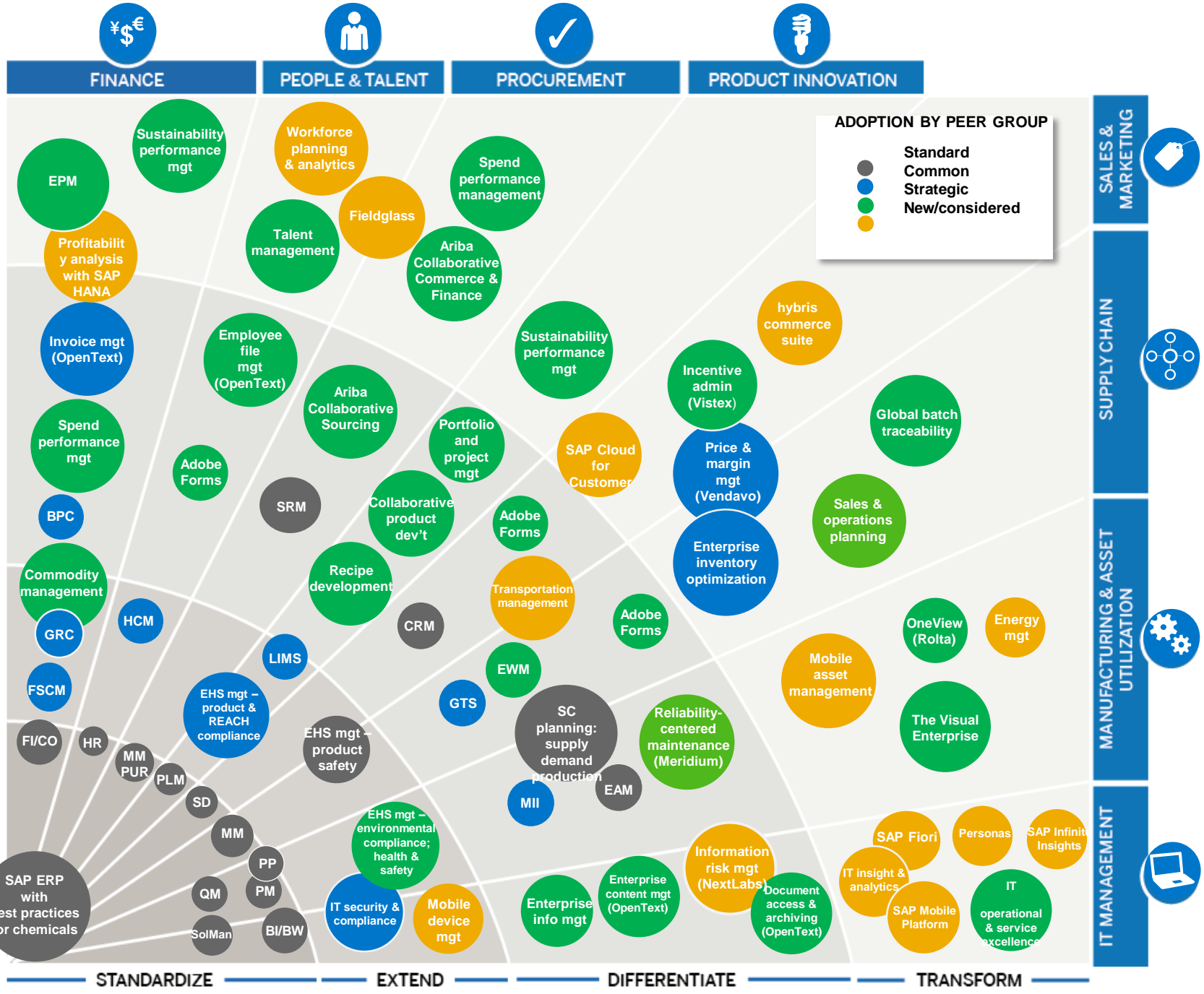
Best Run Chemical Company KPI's Considered

- Days Sales Outstanding (DSO)
- Days Sales of Inventory (DSI)
- Days Payable Outstanding (DPO)
- Chem. Sales (\$M) 2010 & Change from 2009
- 2010 Total Sales & Change from 2009
- Chemicals Sales as % of Tot Sales
- Chem. Oper. Profits (\$ M) & Change from 2009
- Chem. Profits as % of Tot Oper. Profit
- Chem. Oper. Profit Margin
- Identifiable Chem. Assets (\$ M)
- Chem. Assets as % of Tot. Assets
- Return on Chem. Assets

Source: Forbes Finance, Chemical Week "Billion Dollar Club" metrics, C&EN Global Top 50, and company 10K's

Best Run Chemical Company Profiles

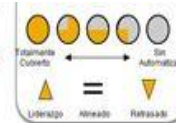
- 8 headquartered in US
- 3 headquartered in Europe
- Revenues ranged from \$6.4B to \$95.6B
- 4 companies had revenues under \$10B
- 2 companies had revenues \$50B or over
- Average revenues per employee ranged from \$380,000 to \$1,100,000
- Wide range of chemical sub-segments represented:
 - Specialty chemicals
 - Agricultural chemicals
 - Bulk chemicals
 - Industrial gases



Best Run Chemical Company – Workshop Results

Process Analysis

- 1) Evaluación de la cobertura del proceso en los sistemas actuales (SAP y no SAP)
- 2) Empresas Químicas y Petroquímicas Europeas directamente competidoras de Repsol Total, Shell, L'Oréal, Basell, BASF, ...
- 3) Grado de Prioridad en base a la importancia estratégica y Gap frente a la competencia



Process	Evaluación ¹	Position vs Competence ²	Industry Leadership	Opportunities ³
<u>Demand & Supply Planning</u>		<		Work in the development of an integrated solution enabling short terms adjustment
<u>Manufacturing</u>		≡		Minor Improvements due to process integration
<u>Asset Operations & Maintenance</u>		>		Tactical improvements: Mobility and.....
<u>Procurement</u>		=		3 rd Party Integration
<u>Sales & Marketing</u>		<		Pricing & Buying Patterns. Integration with Customers
<u>Storage & Inventory Management</u>		=		Warehouse efficiency
<u>Product Development</u>		=		Tactical Improvements
<u>Logistics and Transportation</u>		=		Integration with Transportation Companies. Automation of transport access and movements with in Sites
<u>Environment, Health & Safety</u>		≡		Spread of best practices among



Thank you!