

Evonik Industries AG, Essen, Germany

Buying and selling companies faster with SAP® Business ByDesign®

» This was the first time we tried an SAP® cloud solution, and it won't be the last. With SAP Business ByDesign®, we carved out the IT of a divested company in a very short time frame and handed over a modern, fully-functioning ERP system to the new owners. The knowledge and experience that itelligence brought to the table were critical to the success of this project. «

Dr. Marcus Schiffer, Global IT & Processes, Evonik Industries AG

Whether it's your morning shower gel, the super-absorbent polymer in a baby's diaper, or the display on your cell phone, Evonik solutions can be found in many everyday items. And as a global leader in specialty chemicals with more than 100 subsidiaries worldwide, mergers and acquisitions (M&A) and divestments at Evonik are routine. But large or small, each transaction has a significant impact on IT.

When the ink dries, Evonik must be able to hand over a divested firm to the new owners or, in the case of an acquisition, integrate a new company into the group quickly. But until recently, carving out IT or folding in the IT of a purchased company took significant time. Wanting to improve the manageability and agility of carving out small companies, senior management approached itelligence's experts in cloud solutions from SAP.

Evonik Industries AG

Evonik, the creative industrial group from Germany, is a world leader in specialty chemicals. Profitable growth and a sustained increase in the value of the company form the heart of Evonik's corporate strategy. Its activities focus on the key megatrends of health, nutrition, resource efficiency, and globalization. Evonik is active in over 100 countries around the world. In fiscal 2013, more than 33,500 employees generated sales of around €12.7 billion and an operating profit (adjusted EBITDA) of about €2 billion.



Name:
Evonik Industries AG

Industry:
Chemicals

Products:
Specialty chemicals for adhesives, composites, automotive, agriculture, coatings, food and animal feed, etc.

Company Size:
33,500 employees

Turnover:
€12.7 billion (2013)

Headquarters:
Essen, Germany

Subsidiaries:
Africa, Asia, Australia, Europe, North America and South America

"Evonik was looking at the possibility of speeding up the whole roll-out process with other SAP products," explains Dietmar Dziuron, Project Manager at itelligence. "They wanted an ERP system that could be implemented in weeks, not months. And they wanted to avoid handing over special software, knowledge, or self-developments."

Following a workshop with Evonik's IT department, where Dziuron and colleagues learned more about the company's requirements and ERP landscape, itelligence recommended SAP Business ByDesign, a cloud ERP solution that requires only an Internet connection and web browser. Unlike an on-premises ERP, with SAP Business ByDesign you pay a monthly 'rent' for actual usage, and the software and data are stored and hosted by SAP. The company also takes care of all software updates, data security and maintenance.

High User Satisfaction

Four weeks later, Dziuron got a call from Evonik: They were about to sell a US-based foam manufacturer with some 50 employees and the recommendation by itelligence could now be rolled out.

"The contracts had just been signed and the carve-out of IT had to be completed in three months – huge time pressure." After tweaking the configuration requirements and finalizing the project planning, the project team began to train users, both remotely and on-site in the US.

SAP Business ByDesign was implemented for finance & controlling, personnel administration, CRM, service management, production, and external procurement. "The US employees were really happy to get new and modern software that served their purpose, and was user-friendly and efficient to boot," says Dziuron.

The IT was carved out and integrated into the new SAP Business ByDesign ERP solution in just five weeks – on time, on budget, and in line with all quality requirements. Two reasons for this success were solid preparation, and itelligence's deep experience and knowledge of cloud solutions from SAP. A third reason was Evonik's decision to only use the standard functionalities in SAP Business ByDesign.

Evonik has since added SAP Business ByDesign to its standard IT infrastructure.

Facts & Figures

Project: Implement SAP Business ByDesign at a carved-out production company in the United States

Duration: 5 weeks

Challenge: Tight timelines; complexity of Evonik's M&A and carve-out processes

Solution: SAP Business ByDesign, including modules for FIN, HCM, CRM and SCM (service management, production, external procurement)

The Benefits:

- Buyer of divested company received a fully-functioning ERP system
- Ability to quickly carve out IT in divested companies in the future
- Ensures compliance with all legal requirements during acquisitions
- High user satisfaction thanks to a simple interface
- Easier M&A process through synchronization of IT and legal change of control
- Transparent cost allocation for easier budgeting

