Evonik Industries: Giving Sales More Clout and Transparency with SAP® CRM

EVONIK INDUSTRIES

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Company
Evonik Industries AG

Industry
Chemicals

Products and Services
Chemicals

Web Site
www.evonik.com

SAP® Solutions
SAP® Customer Relationship Management (SAP CRM) application, SAP NetWeaver® Business Warehouse component

Partner
SAP Consulting organization

To make things more transparent for its sales team – especially when it came to the all-important asset, the customer – Evonik Industries AG launched a project called "Transparency." The first step was to upgrade its customer relationship management system to the latest release of the SAP® Customer Relationship Management application. It got what it wanted and more: a 360-degree customer view, operating costs slashed by half, and maintenance costs reduced by more than 30%.

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On the Path to Greater Growth Through Transparency

Evonik Industries is a company with a decided vision for growth. Formed in 2007 from various organizations, the company, based in Essen, Germany, has more than 150 years of experience in specialty chemicals. With this amount of know-how, it's no wonder its people are so fresh and active when it comes to doing business. Put simply, this chemicals company doesn't do things by halves.

Employing nearly 34,000 people, and with production sites in 26 countries around the world, €13.3 billion in sales in 2010, and a great level of commitment to research and development, Evonik Industries is constantly on the move – to get things to run better and more smoothly and to take advantage of the best opportunities. These are the goals and vision that drive the company's success. As a market leader and global player in more than 80% of all the activities it is involved in, the company won't rest until it reaches the top.

To reach that goal, clarity is key. Clarity, above all, on what is happening with its most valuable asset: its customers – not just within business units, but from one unit to the next. Like the company's overall structure of bringing together various organizations to work as one, Evonik Industries believes that sharing information throughout the entire corporation is the way ahead.

34,000

Employees worldwide

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More Power to Sales and a Single Platform for All

SAP Customer Relationship Management (SAP CRM) has long been vital to Evonik Industries' success. As Stefan Schwartze, IT strategy and project manager at Evonik Industries, explains, "Today almost half of the revenue from our chemicals division is handled through SAP CRM: nearly €7 billion. We rely on SAP CRM."

However, when the journey to CRM started, the requirements of the business units were very different than today. Therefore, the original software was changed considerably to fulfill these needs. It was used by 4 of 12 business units at that time, and it felt as if each was using a different version. "The question we faced was how to continue," says Peter Stegemann, IT project and CRM manager at Evonik Services GmbH. "In its present form, the software was costing us too much for maintenance and support. With all of these different variations, the business units had no chance to find out what the others were doing – with the same customer. Finally, due to all the changes, a technical upgrade was almost impossible."

The sales force needed a single customer view throughout the whole company. That meant the ability to capture visit reports, manage complaints or projects with customers, get a competitive overview, have new functions for sales planning and forecasting, and have a view of the customer from Evonik's global perspective – all in the same solution. Schwartze adds, "Sales needed better information and tracking functions across all business units – and all using the same software – regardless of the different business models. Last, but not least, users needed a simpler interface for more clarity and better performance." To sum up, Evonik Industries was after more transparency to become more successful.

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Integration Is Key

Evonik Industries got to the point where it needed a platform that all business units could use – open to all users and as close to the standard as possible – so that information on customers would be available throughout the company. It had already been using SAP CRM for this. However, in its software environment, there were several installations of SAP CRM tied to several back-end systems based on the SAP ERP application. There were duplicates of customer records with varying information. It was impossible to answer questions such as the following:

- Do customers do business with more than one business unit?
- Which customer relationship exists with which business units?
- Which competitors do business with which customers?

Despite the important role SAP CRM plays at Evonik Industries, Schwartze and Stegemann decided first to check out all existing CRM solutions within Evonik. In all, they identified 16 applications. In the end, they compared three solutions for the future platform – one custom made and two prebuilt – including Microsoft software and the latest release of SAP CRM. As Stegemann explains, "The final decision to upgrade to the latest release of SAP CRM was based on the fact that it offers the best technology for ERP integration and a user-friendly interface." The team was ready to upgrade.

"A great difference is how easy it is to connect one single installation with all the other SAP solutions in the company."

Peter Stegemann, IT Project and CRM Manager, Evonik Services GmbH

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Managing Comfortably on Its Own

Evonik Industries' plan was to get help from SAP Consulting to start the implementation and then continue in-house. However, with all the technical changes made to the SAP CRM application, the project was more than just a normal upgrade. That meant the experts at SAP helped with coaching for the project. This was important, as the latest release of SAP CRM was part of the SAP Ramp-Up program at the time. SAP Consulting guided the company through critical stages and finally moved into a coaching role. Following a smooth start, Evonik Industries felt it could continue on its own without any problems.

Schwartze explains, "Even though we kept the project in-house, we were fully able to manage critical issues. SAP provided us the right support in critical cases when we needed a little more know-how on processes and technical questions. We could rely on expert help when we needed it. In the end, we felt quite comfortable implementing the new release well within the planned budget." As part of the implementation, Evonik Industries managed to bring the various processes in line with each other. The result is that all business units have the same set of standard processes. In the project organization, Schwartze and Stegemann set up various teams to manage different processes – one for master data management, one for activities, and so on. "The method we chose was precisely right," Schwartze and Stegemann agree.

> "We could rely on the help of the experts we needed when we needed them. In the end, we felt quite comfortable implementing the new release of SAP CRM by ourselves."
>
> Stefan Schwartze, IT Strategy and Project Manager, Evonik Industries AG

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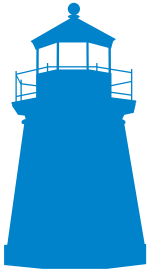
More Power to Sales with the Full Market View

SAP CRM helps manage and exchange customer information, giving Evonik Industries a competitive lead. The single, standard customer view gives users powerful sales planning and sales forecasting functions. "Know-how on customers is shared easily and quickly throughout the company. Everyone sees the same fundamental information: who our contacts are, which employees are involved with which customers, and so on," says Schwartze. "We have a central, 360-degree view of the customer. This level of market overview is important for us."



360-degree

View of the customer

Evonik Industries can use functions for opportunity management to manage future business even more directly. And sales planning is focused on future sales. Another valuable addition is the view of the competitive environment. The sales force now sees which competitors sell to its customers. "We can analyze our market shares by region and segment – just the kind of transparency we needed. It's the sort of data our executive board wants quickly, and that's precisely what they're getting."

Today about 2,000 users work with SAP CRM. To make sure they could make the best of the improved functions, Evonik Industries held training courses. As Schwartze says, "Two days of training were sufficient to get our users up to speed – mainly because the software is so intuitive. That's not just our opinion. User feedback is very much in favor. They say the new software is a quantum leap in comparison."

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Processes Brought into Line and Costs Slashed

Process harmonization reduced the need for custom changes and also cut the number of process variations considerably. As Schwartze confirms, "Although the units running SAP CRM have very different business models, we are much closer to the standard than we had imagined. 90% of the software can now be used by all of the units – much more than before."

But it was the cost aspect that pleased Schwartze and Stegemann too. "In the first half year following the upgrade, we managed to cut the costs of running the software by half. And we have lowered maintenance costs by more than 30%," says Stegemann. With all of the functions being the same everywhere, life is also easier for users. The new user interface needs less clicks to get where the sales force needs to be. "That makes a lot of sense to have – especially as far as uncovering new sales opportunities is concerned," he sums up.

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Peter Stegemann, IT Project and CRM Manager, Evonik Services GmbH

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Future-Proofing the Company Strategy

"Evonik Industries is undergoing major changes," Schwartze explains. The company is concentrating on new business areas and has been selling and buying up organizations. Against this background, SAP CRM will now make the company a lot more flexible when doing this sort of reorganization. Future plans therefore include getting more units and divisions in the company up and running on the new release – something the units are also looking forward to. "Additional units can come on board and be up and running in as little as three to six months," Stegemann says. "Now that they've seen what we can do, the other business units are taking notice."

Beyond that, Evonik also has its eye on extending its functional scope for SAP CRM – for example, improving customer service with a customer interaction center. To further make things easier for the company's sales force, the buzzword on everybody's lips is "mobility." "Once things are running smoothly, we expect to make SAP CRM available for use with mobile technology – for example, on iPads," Schwartze sums up.

"Additional units can come on board and be up and running in as little as three to six months."

Peter Stegemann, IT Project and CRM Manager, Evonik Services GmbH

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