



MOMENTIVE PERFORMANCE MATERIALS

STAFF OF 15 MANAGES GLOBAL COMPLIANCE WITH SAP® SOFTWARE

QUICK FACTS

Company

- Name: Momentive Performance Materials GmbH
- Headquarters: Albany, New York (global); Leverkusen, Germany (European)
- Industry: Chemicals
- Products and services: Silicones, quartz, ceramics, sealants, and adhesives
- Revenue: US\$2.5 billion (global)
- Employees: 5,000 (global)
- Web site: www.momentive.com
- Implementation partners: Deloitte Touche Tohmatsu (New York), TechniData AG (Markdorf, Germany)

Challenges and Opportunities

- Ensure compliance with environment, health, and safety regulations worldwide
- Introduce uniform substance data management across company
- Minimize headcount, maximize automated processes for competitive prices and margins
- Keep pace with changing compliance rules and regulations across many countries

Objective

Install a single solution with a centralized database to manage global compliance

SAP® Solution and Services

SAP® Environment, Health, and Safety Management (SAP EHS Management) application – part of SAP solutions for sustainability

Implementation Highlight

Rapid, 5-month rollouts in Europe, Asia Pacific, and the Americas

Why SAP

- Strong environment, health, and safety functionality for chemicals companies
- Tight integration between SAP EHS Management and overall business solution
- The global standard for enterprise business solutions

Benefits

- Single, centralized system for substance data management, reporting, and compliance
- Efficient operations with low headcount
- Optimized workflow, with significant reductions in cost and transaction time
- Faster operations through SAP EHS Management expert rules engine – 90% faster than manual processes
- Increase in productivity via link to content providers who update regulations
- 100% integration with sales, distribution, production, and logistics

Existing Environment

Parent company's mainframe-based applications and shared services

Third-Party Integration

- Database: Oracle
- Hardware: IBM
- Operating system: UNIX

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MOMENTIVE
performance materials

SAP Customer Success Story
Chemicals



At Momentive Performance Materials Inc., it now takes only 15 product stewards to manage environmental, health, and safety compliance across 20,000 products, 5,000 chemical substances, 1,000 hazardous substances, and 800 dangerous goods. And that's in a fast-moving setting – the company fulfills up to 1,000 orders daily from 14 country locations across Europe, Asia-Pacific, and the Americas. These products, which are distributed to customers around the globe, can range from 20-mg lab samples to chemicals delivered in rail tanker cars.

Momentive credits the SAP® Environment, Health, and Safety Management (SAP EHS Management) application – part of SAP solutions for sustainability – for its lean operations. “Using SAP Environment, Health, and Safety Management, we can now be lean and efficient,” says Dieter Sydon, product steward team leader at Momentive Performance Materials GmbH, the Leverkusen, Germany-based European headquarters. “We stay compliant globally via an SAP EHS Management link to outside content providers who update us with regulatory data. We would need dozens of analysts to do this ourselves. SAP EHS Management is 100% integrated into our daily workflow across sales, distribution, production, and logistics to help ensure rapid, continuous compliance along our supply chain. We now have a single, centralized system, with global access to each product and database.”

Customer orders are checked automatically against the SAP EHS Management database for hazardous or dangerous goods. Material safety and data sheets

(MSDSs) and labels are automatically printed and faxed or e-mailed to the customer – in the correct language and in conformance with relevant national regulations, like the German Federal Water Management Act or the Danish MAL code. Momentive production personnel can access the documentation for warehouse and recipe management and transport decision making. In emergencies, Momentive can quickly retrieve the information worldwide to get response teams the data they need.

This is all done with 15 stewards – whose responsibilities include regulatory compliance, classification and labeling, product lifecycle management, dangerous goods inspections, and training for employees. That's the lean profile a midsize chemicals firm needs in today's environment of volatile raw material prices, increased compliance costs, and global competition.

“When you can work efficiently with a lean team, it's good for your prices and margins,” Sydon says. “Today you must be compliant, you must be competitive,

and you must be fast. Only with strong software solutions like SAP EHS Management can you meet all these business requirements at the same time. Our goal is zero compliance defects. We need a powerful product like SAP EHS Management to support that.”

Merger Drives Global Compliance Solution

Momentive implemented SAP EHS Management, along with SAP enterprise resource planning software, when it began operations as GE Bayer Silicones. The new company – a joint venture between General Electric and Bayer – was no longer able to use the parent companies' IT systems or shared services. Momentive conducted a business analysis in conjunction with Deloitte Touche Tohmatsu and determined that SAP software was the best solution for the new venture.

Sydon says, “SAP EHS Management was a key component of the decision to run SAP business software, because all regulatory checks are performed by the application. SAP EHS Management was tightly integrated with the overall business solution and would enable us to integrate multiple substance databases. It was user friendly, and it could import data from outside content providers.”

Momentive engaged implementation partner TechniData AG (Markdorf, Germany) for a series of five-month SAP EHS Management rollouts – first across Europe, then in Asia Pacific. TechniData is a strategic development partner for SAP and the leading pro-



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vider of solutions for product, chemical, environmental, health, and safety compliance. The company develops, implements, and operates software that allows companies to shape and optimize the sustainability of their business processes in a legally compliant manner.

“TechniData had deep knowledge of SAP EHS Management functionality,” Sydon says. “Its consultants were also very experienced in the chemicals business. This was very important for our implementation. You need to have consultants who understand the specifics of your industry – properties, substances, flash points, technical terms, regulations, and so on.”

SAP EHS Management not only helped the new venture get off the ground quickly, but it enabled faster business consolidation – a big issue in the chemicals industry today. Since its launch, Momentive has absorbed another company. With the SAP EHS Management application’s centralized database and compliance management functionality, Momentive was able to quickly integrate the new organization and business processes. This led to quicker synergies and faster realization of the corporate objective in the acquisition.

SAP EHS Management Cuts Across All Arenas

SAP EHS Management is used all across the Momentive enterprise. In sales and distribution, employees don’t directly access the environmental, health, and safety data; but when they execute a customer order, SAP EHS

Management automatically compares the order against a database to identify compliance requirements. On the production side, users have ready access to the SAP EHS Management document management system when they need to get the latest version of safety data. R & D employees use the software when they need to evaluate compliance needs.

“In addition, we display SAP EHS Management information on our Web site,” Sydon says. “For each product, customers can view material safety data sheets in their own language.” That multilingual capability is crucial to a global company. Says Sydon, “We do business worldwide, and we need to issue documents in the national language of the countries where we sell. SAP EHS Management provides us with the multilingual phrase library from the Chemical Exchange Directory. The directory is a compilation of more

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than 8,000 expressions in 36 languages, along with updates, enhancements, and corrections. This phrase library is 100% integrated with SAP EHS Management.”

That’s not the only way Momentive speeds operations. The SAP EHS Management expert rules engine also slashes time. “The SAP EHS Management expert rules engine is 90% faster than manual processes,” Sydon says. “You enter the product and its

physical and chemical properties, run the expert rules, and it automatically breaks down the product into its chemical composition based on substances. It gives you the classification with the risk and safety statements mandated by the EU. It creates the occupational and exposure limits for inclusion in the MSDSs and displays global inventory automatically, without any manual intervention.”

Open Solution Pulls in Critical Content

Sydon again mentions the importance of being able to connect with content providers – like TechniData and 3E (Carlsbad, California) – allowing Momentive to remain current with national and global standards, rules, and regulations. The link is enabled by the SAP EHS Management open content connector interface. With the SAP software, Momentive can now keep pace

with changing legislation and automatically update its database around classification and labeling, occupational exposure limits, notification status, and health and environment.

The TechniData CLEO database contains more than 200,000 chemical substances and their identifiers, properties, and data on regulations and international legislation. 3E’s Ariel products and services aggregate global

chemical and regulatory contents. Ariel products contain more than 700 complete regulatory lists covering nearly 4,000 data elements spanning more than 75 countries – including in-depth chemical hazard data for more than 330,000 substances and more than 300,000 chemical links covering 5,000 regulated chemical groups.

This lets Momentive identify, track, maintain, and comply with international regulatory guidelines and quickly effect mass updates across its global database. “Without these content providers,

regulations, the European Union’s rules for chemicals and their safe use. REACH aims to improve the protection of human health and the environment through better, and earlier, identification of the properties of chemical substances.

REACH puts greater responsibility on industry to manage the risks from chemicals and to provide safety information on substances. Manufacturers and importers will be required to gather data on the properties of chemical substances to enable safe handling and to

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it would be impossible to get the complete data into our system without significantly more headcount,” Sydon says. “Many countries have their own national regulations and exposure limits, and it is difficult to constantly check these regulations for 100% compliance.”

New Version Embraces EU Regulations

Momentive is next planning an upgrade to the newest version of SAP EHS Management to help it better comply with the Registration, Evaluation, and Authorization of Chemicals (REACH)

register that information in a database managed by the European Chemicals Agency in Helsinki.

“Momentive has made a commitment to abide by a code of conduct that emphasizes responsible care,” Sydon says. “Our customers order from us because we have the right products for their applications at the right price, but they also require environmental compliance and correct labeling, packaging, and paperwork. This is our obligation to customers – and to society – and SAP EHS Management helps us fulfill that trust.”

Deloitte.



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