BAYER MATERIALSCIENCE AG

SAP® CRM ENABLES 360-DEGREE VIEW OF CUSTOMERS WORLDWIDE

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Dietmar Gasch, Organization and Information Systems, Bayer MaterialScience AG

QUICK FACTS

Company
- Name: Bayer MaterialScience AG
- Location: Leverkusen, Germany
- Industry: Chemicals
- Products and services: Paint, coatings, adhesives, sealant systems, polycarbonates, and polyurethanes
- Revenue: €9.7 billion (2008)
- Employees: 15,100
- Web site: www.bayermaterialscience.com
- Implementation partner: SAP® Consulting

Challenges and Opportunities
- Simplify the business model
- Simplify and standardize processes
- Move software solutions to 1 global instance

Objectives
- Streamline the customer and product portfolio
- Optimize and standardize global business processes in customer relationship management
- Replace heterogeneous software landscape with standardized solution
- Create standardized global data and knowledge base

SAP Solutions and Services
SAP Customer Relationship Management (SAP CRM) application

Implementation Highlights
- Aligned closely with standard SAP software
- Achieved key project milestones on time and within budget

Why SAP
- Integration with existing software landscape
- Usability and "look and feel" of the SAP CRM application interface
- Strategic decision to use SAP software based on proof of concept

Benefits
- Global, 360-degree view of all customer-related activities, resulting in better service and greater revenues
- Ability of customers to access information concerning status and delivery of their orders directly
- Improved efficiencies for sales and marketing teams with instant access to leads and opportunities within 1 software solution
- Quick recognition of new business opportunities, boosting chances to turn them into leads and sales

Existing Environment
- SAP ERP application
- SAP Supply Chain Management application
- SAP NetWeaver® technology platform

Bayer MaterialScience

Bayer MaterialScience AG is adjusting to long-term market trends. International customers and tough global competition call for increasingly streamlined operations and a 360-degree view of all sales, distribution, and service processes. To respond to these trends, the company implemented the SAP® Customer Relationship Management (SAP CRM) application globally to obtain a transparent overview of key customer-related information.

Polyurethane foam, polycarbonate plastics, paint, adhesives, and sealants – Bayer MaterialScience manufactures an almost endless range of products. It makes the foam used in mattresses and car seats, in sponges, insulation materials, car bumpers, and casual footwear, making it the world's leader in this field. Have you put on a DVD today or given your child a bottle? The plastics manufactured by Bayer MaterialScience are part of everyday life. Plastic is light, flexible, moldable, and durable. It is used in an array of products from the roofs of sport arenas to car headlights and bank cards. The company's paints protect cars, planes, trains, and ships. Bayer MaterialScience is not just prolific; it is innovative as well. With motivation to spare, it is constantly on the lookout for the next best application for the nearly universal versatility of plastics. Besides serving as a healthy business sensor, this inclination to innovate has been key to the company's successful service in private and commercial worlds for many years. In a time of furious-paced business, when competitors and markets are springing up all over the world, it has been instrumental in helping Bayer MaterialScience maintain a clear lead.

Globally Standardized Business Processes

Bayer MaterialScience is synonymous with high-tech materials and special solutions, which the company develops, manufactures, and sells worldwide. "For some time now, we have noticed a significant shift in international competition structures," says Dietmar Gasch of organization and information systems for Bayer MaterialScience. Competitors from the Middle East have direct access to oil – a vital raw material. Rival companies in Asia have a significant advantage in terms of production and labor cost.

Bayer MaterialScience responded by investing heavily in the booming Asian market. It has also made adjustments at the process level. "We divide our business into different categories," says Gasch. "For standard products, operational excellence and the ability to quickly deliver affordable products give us the edge. In systems selling, an area where we continue to develop high-tech solutions, we need to respond better to customers' needs."

To fully refocus and respond to changes in the market, Bayer MaterialScience introduced the ProgramOne strategic initiative in 2008. It aimed to simplify the business model, streamline the client and product portfolio, and introduce global business processes. A state-of-the-art, standard SAP solution implemented globally was to help achieve the program motto of "Simplify. Standardize. Automate."

"ProgramOne is not an IT project," underlines Kurt De Ruwe, CIO at Bayer MaterialScience. "It focuses above all on our business operations. From an IT perspective, this meant applying the three core elements of our motto to our processes." In other words, existing processes had to be restructured so they could be automated and simplified and used as standard globally throughout the group.

360-Degree View of the Customer

When it comes to implementing efficient, harmonized processes and having a 360-degree view of customers, an integrated CRM solution is the obvious choice. Some of Bayer MaterialScience's customers have business units and

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subsidiaries worldwide, which in some cases operate under their own name. An integrated solution is vital to access reliable data on related customer groups, obtain a consolidated overview of sales and revenue, and above all compile comprehensive analyses of market potential and new business opportunities. "Previously, our CRM solution was made up of about a dozen legacy systems, some of which were homegrown. We had to retrieve information from different databases and transaction-based systems. Implementing a standardized CRM solution gave us the opportunity to establish complete transparency," says Gasch.

"We first noticed the user-friendly functions and intuitive look and feel of SAP CRM at the SAPPHIRE® conference in 2008," says Kurt De Ruwe. The Bayer group is already using SAP solutions in many areas. This meant that, from the very start, the design and implementation of SAP CRM at Bayer MaterialScience was part of global harmonization of the SAP software and process landscape. Bayer MaterialScience contacted SAP Consulting at an early stage to identify the scope of the SAP CRM implementation. A proof of concept was drafted, and in mid-2008 the decision was made to implement SAP CRM.

Until the end of that year, Gasch and SAP Consulting worked closely with the business departments and process owners on defining standardized, global processes.

Central Platform for Sales, Distribution, and Service

Rollout of ProgramOne kicked off in the NAFTA region. Here, Bayer MaterialScience implemented SAP CRM at the same time as SAP ERP. "This meant that we faced a tight deadline from the very start because there was pressure for both solutions to go live in North America simultaneously in mid-2009," says Gasch. It took about two months to draft a prototype for the customer interaction center, the Web shop, and a field sales force portal based on SAP CRM and link it up to SAP ERP. The process owners then made a final decision on whether the required processes could actually be mapped in the standard software. "They had to justify any changes based on the potential added value or other important conditions, such as mapping nondisclosure agreements with key customers," Gasch explains.

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On July 1, 2009, SAP CRM went live in Bayer MaterialScience sites in North America, followed by Brazil and Mexico. The SAP software is a central solution for key customer-related processes in the areas of sales and distribution, service, and Internet sales. About half of sales in North and South America are now Web-based, which Gasch feels is a lot. He says, "Bayer MaterialScience has 15,000 customers worldwide, all using a wide variety of standard systems and platforms."

Clear Overview of Order Status

SAP CRM is a completely new technology for Bayer MaterialScience. After years of time-consuming data retrieval from different transaction-based systems, employees welcome the fact that they can now access information on one menu-driven interface. The sales and marketing departments can call up key data at any time and answer important questions such as: Is the sales pipeline on target? Which customer inquiries can be converted into actual leads? What potential business opportunities are there? To which prospective customers would it be worthwhile sending samples? Are our customers satisfied with their products and our service?

Bayer MaterialScience maximized the benefits of its SAP CRM software by integrating it with other SAP software it was already using, such as the SAP Event Management application of the SAP Supply Chain Management (SAP SCM) application. "For us, this approach constitutes a dramatic shift in thinking," says Gasch. "Previously, our customer advisers had to actively monitor order fulfillment. When everything was running to plan, 90% of this work was unnecessary. SAP Event Management enables management by exception by recognizing exceptions and informing the user."

Customers benefit too: They can use the Web-based software to view the status of their orders or deliveries at any time and check availability of goods, thanks to the integration with SAP SCM.

Global Rollout on a Solid Footing

The SAP CRM implementation will be rolled out in the group's European sites by the end of this year, which will be followed by implementations in Asia. "Introducing a standardized CRM solution will fundamentally transform our understanding of customer relationship management," points out Gasch. "A global view of order entry and status and all information entered by colleagues in sales, along with precise and comprehensive analyses and reports on revenue, sales, and opportunities, allows us to react to our customers' specific needs and increase revenue."

"We involved all key users and regions at an early stage, and from the multitude of functions in SAP Customer Relationship Management, we only implemented those that we need," outlines Gasch, who says that this approach explains the high level of acceptance among employees. "As a result, we are receiving an increasing number of queries about the solution from within Europe." Gasch has already set his sights on new projects once the global rollout has been completed. These include integrated information on competitors, integrated complaint management, and the connection of mobile devices. "The dedicated consultants from SAP Consulting gave their all to the project and worked efficiently with the young and astute team at Bayer MaterialScience," adds Gasch. "This enabled us to develop a powerful architecture and a technological foundation that is open for future enhancements."

"Once the solution has been fully rolled out," says De Ruwe, "about 2,500 users will be working with SAP CRM worldwide, more than 800 of whom will access it from mobile devices."

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Bayer Business Services

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