Less is MORE.
McCOY BIG event

Future ready with S/4 Hana

Tom Chyla

dsm-firmenich

TOM CHYLA
Digital Business Architect
dsm-firmenich

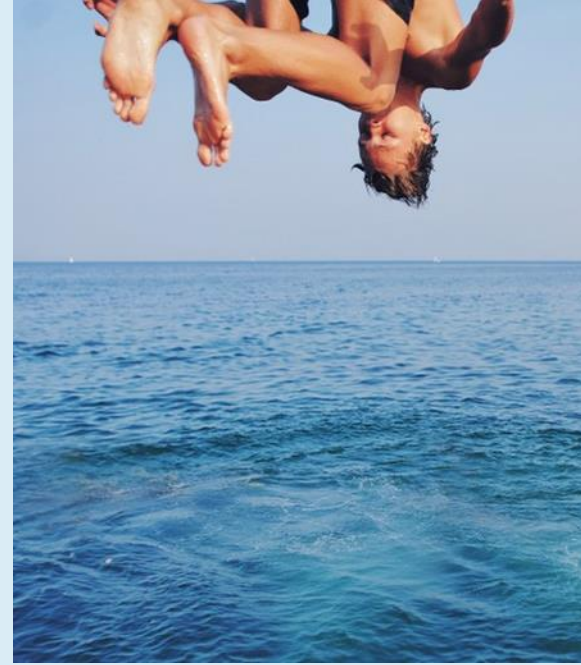https://www.linkedin.com/in/tom-chyla-837a713

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Innovators in nutrition, health and beauty

Perfumery
& Beauty

Taste, Texture
& Health

Health, Nutrition
& Care
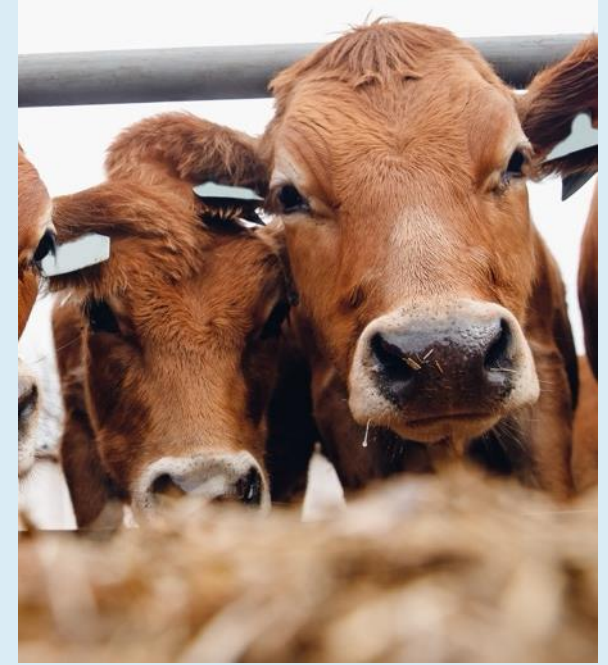
Animal Nutrition
& Health

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Three dynamic markets, two iconic names, one foundational purpose

dsm-firmenich: we bring progress to life
We're a trusted partner to global
companies operating in high-growth and
resilient markets. We're innovators in
nutrition, health, and beauty

~30,000
passionate, talented,
and diverse people in
our global team

150+ years
of combined scientific
discovery and
innovation heritage

€12+ bn
combined revenue

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Doing good, better than ever

Global recognition

SUSTAINALYTICS

CDP

ecovadis

Corporate ESG Performance
Prime
RATED BY ISS ESG▷

MSCI ESG RATINGS AAA

Moody's | ESG
Top ranking

FTSE4Good

EQUILEAP
MAKE A DIFFERENCE AND A RETURN

EDGE CERTIFIED

SUSTAINABLE DEVELOPMENT GOALS

World–leading partnerships

WFP World Food Programme

unicef

BILL & MELINDA GATES foundation

sightandlife

World Vision
PROUD SUPPORTER

Please note that some of the achievements mentioned in this context were attributed to DSM and some to Firmenich – and some to both – prior to the merger.

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Many successful transformations in the past,

Coal mining

(Petro)chemicals

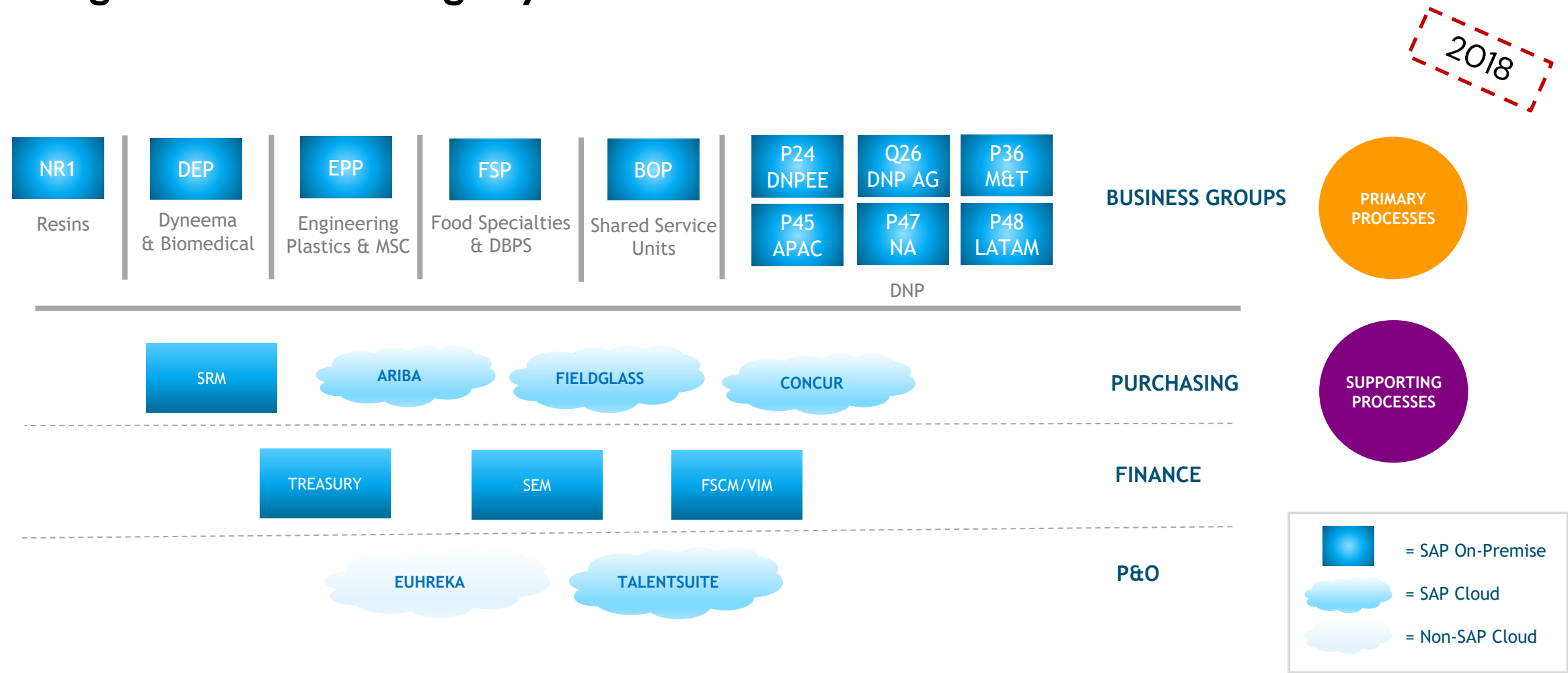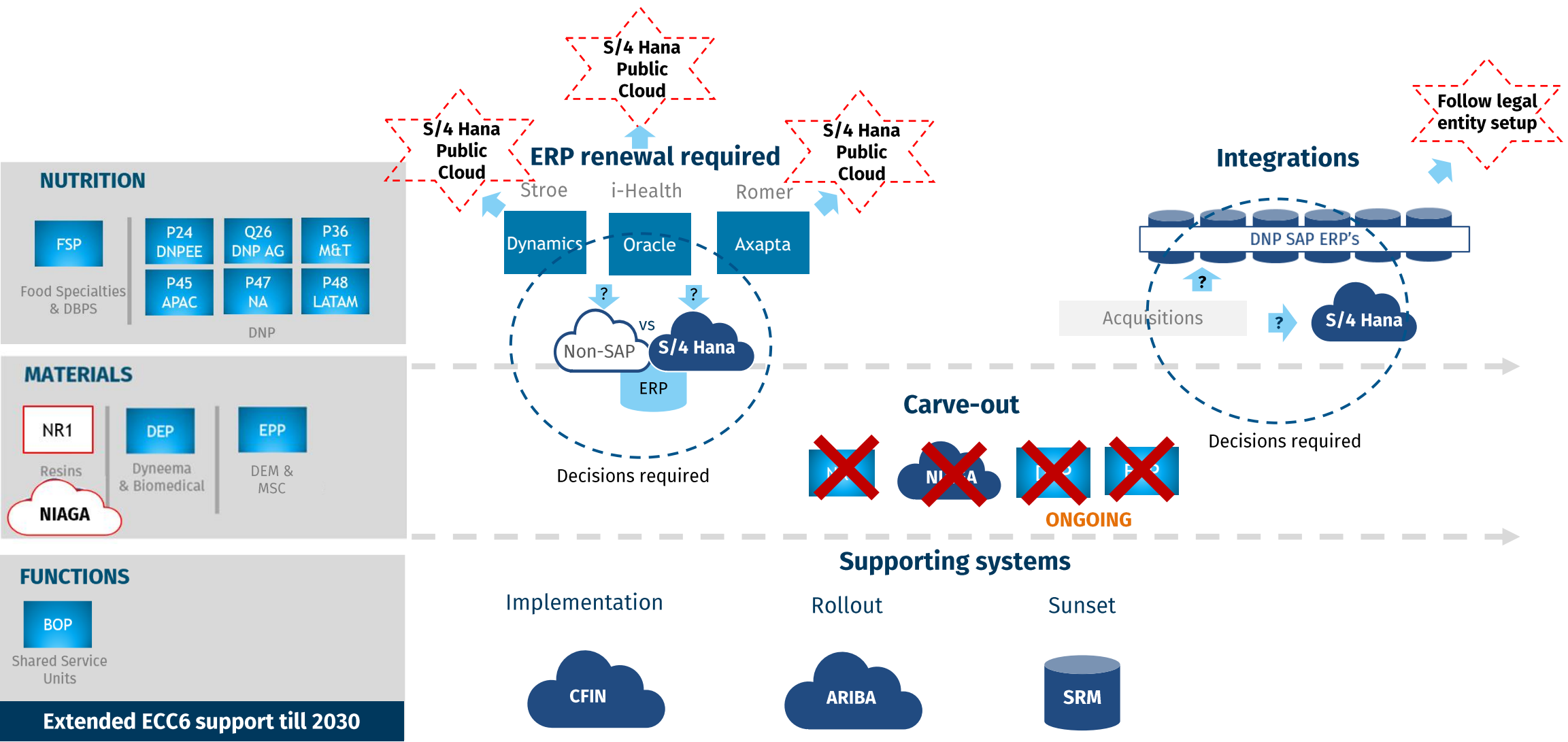Nutrition, Health & Sustainable Living

1902

2020

DSM

Unlimited. DSM

DSM

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Brought a wealth of legacy SAP ERP

2018

NR1	DEP	EPP	FSP	BOP	P24 DNPEE	Q26 DNP AG	P36 M&T
Resins	Dyneema & Biomedical	Engineering Plastics & MSC	Food Specialties & DBPS	Shared Service Units	P45 APAC	P47 NA	P48 LATAM

DNP

BUSINESS GROUPS

PRIMARY PROCESSES

PURCHASING

SRM · ARIBA · FIELDGLASS · CONCUR

SUPPORTING PROCESSES

FINANCE

TREASURY · SEM · FSCM/VIM

P&O

EUHREKA · TALENTSUITE

= SAP On-Premise

= SAP Cloud

= Non-SAP Cloud

→ *DSM has made an operating model choice to allow BGs the flexibility to define primary processes appropriate for their markets. This governance is mostly reflected in the DSM ERP landscape. There is little value to be gained from reducing the number of ERP systems across BGs.*

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Introduction of S/4 Hana: 2021 – 2022

NUTRITION

FSP

Food Specialties & DBPS

P24 DNPEE | Q26 DNP AG | P36 M&T
P45 APAC | P47 NA | P48 LATAM

DNP

MATERIALS

NR1

Resins

NIAGA

DEP

Dyneema & Biomedical

EPP

DEM & MSC

FUNCTIONS

BOP

Shared Service Units

Extended ECC6 support till 2030

S/4 Hana Public Cloud

S/4 Hana Public Cloud

S/4 Hana Public Cloud

Follow legal entity setup

ERP renewal required

Stroe | i-Health | Romer

Dynamics | Oracle | Axapta

Non-SAP vs S/4 Hana

ERP

Decisions required

Integrations

DNP SAP ERP's

Acquisitions

S/4 Hana

Decisions required

Carve-out

ONGOING

Supporting systems

Implementation

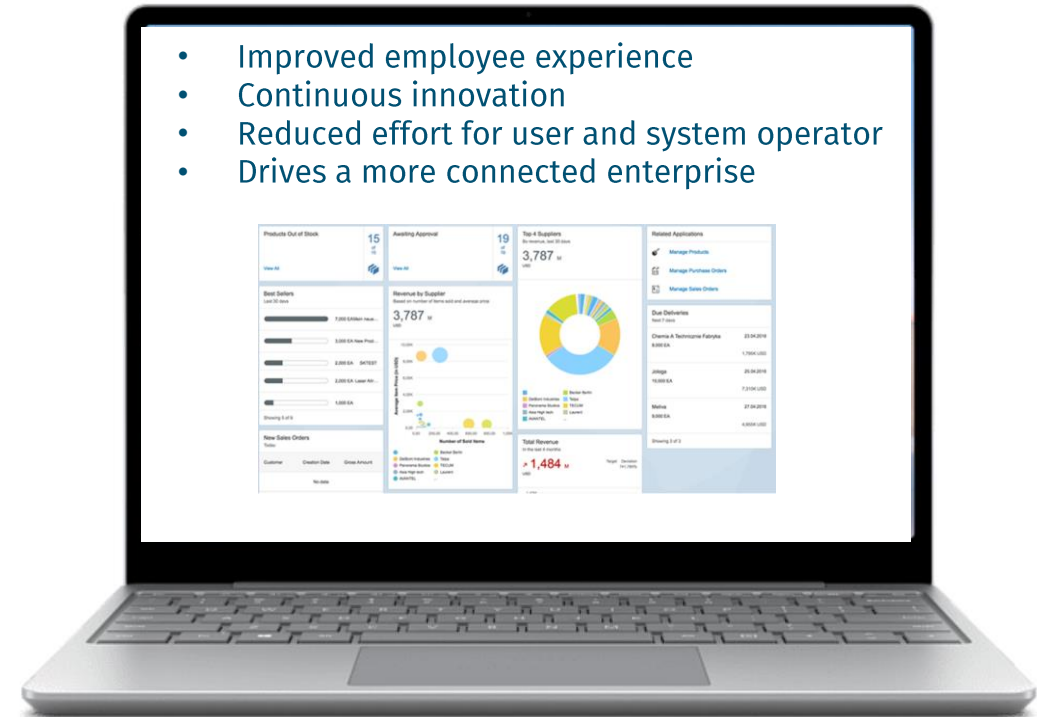CFIN

Rollout

ARIBA

Sunset

SRM

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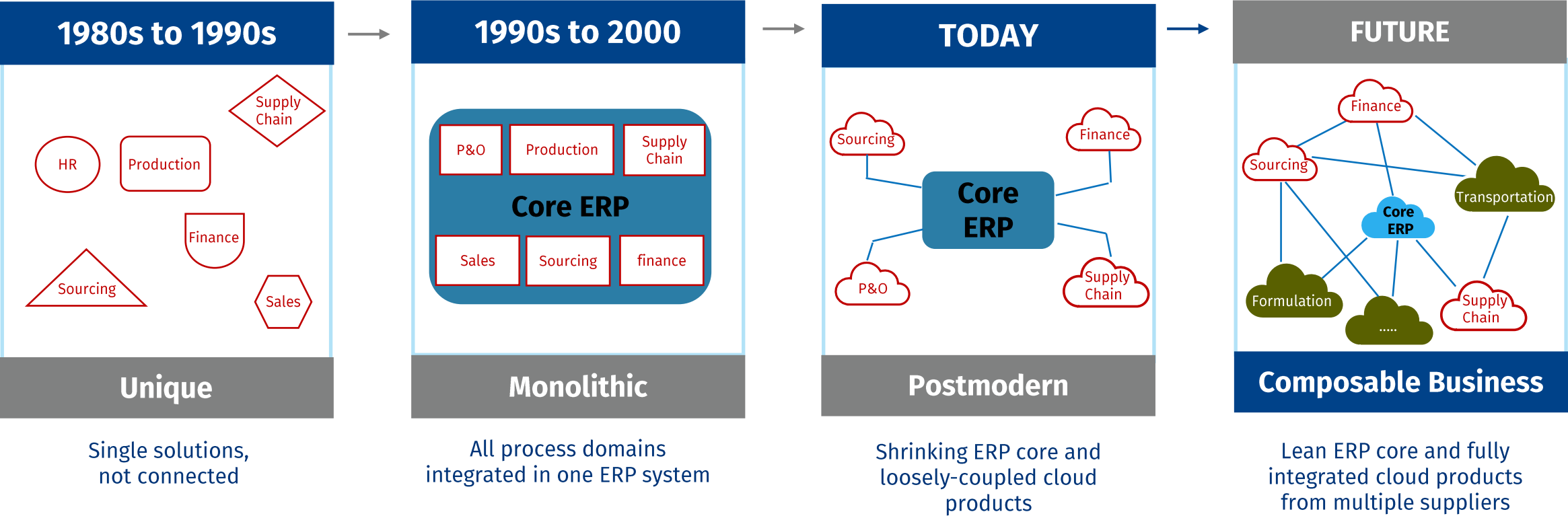# S/4 Hana Public Cloud – Key learnings & food for thought

- Investigate Public Cloud vs Private Cloud vs On-premise scenarios.
- From "Fit-Gap" to "Fit to standard" requires top-down support and believe.
- Active change management is key, also/especially for IT colleagues.
- Check the peripheral systems and functionalities. Will these still work ?
- Together with business decide on instance strategy.
- Start small. No big bang approach.
- Involve key stakeholders & functions from the start.
- Public Cloud (still) has its challenges..... but I'm glad we did it !
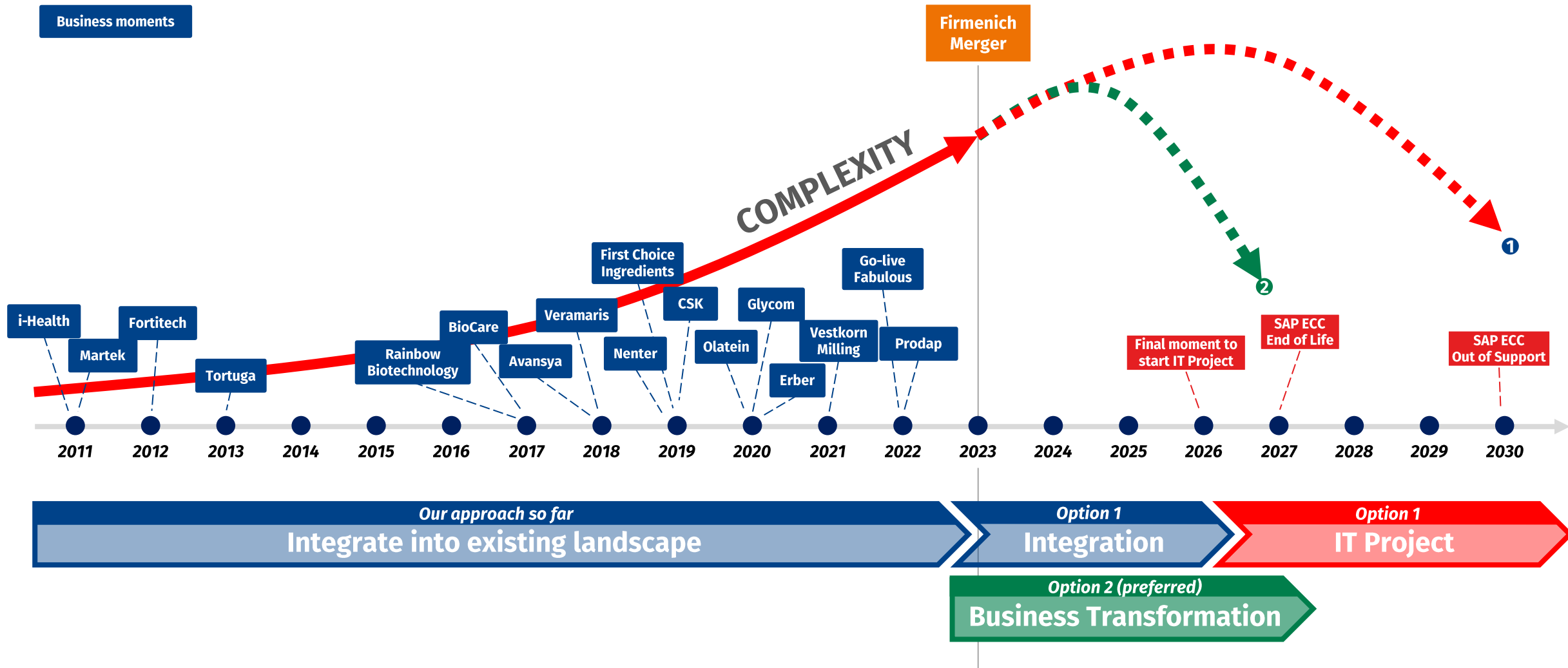
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Our current ERP systems do the job, but reached their boundaries: the next generation ERP is ready

* 2004 Technology
* No decomposability
* Hard to connect with 3rd party solutions
* Not mobile responsive
* Out of support in 2030

- Improved employee experience
- Continuous innovation
- Reduced effort for user and system operator
- Drives a more connected enterprise

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Composability and re-scoping is the also the trend in the market

1980s to 1990s

Supply Chain

HR — Production

Finance

Sourcing

Sales

Unique

Single solutions,
not connected

1990s to 2000

P&O | Production | Supply Chain

Core ERP

Sales | Sourcing | finance

Monolithic

All process domains
integrated in one ERP system

TODAY

Sourcing — Finance

Core ERP

P&O — Supply Chain

Postmodern

Shrinking ERP core and
loosely-coupled cloud
products

FUTURE

Finance

Sourcing — Transportation

Core ERP

Formulation — ..... — Supply Chain

Composable Business

Lean ERP core and fully
integrated cloud products
from multiple suppliers

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Integration vs Transformation

Business Capability Map dsm-firmenich

☐ Level 1 ■ Level 2

Customer & Products

Product Lifecyle Management
- **Product Creation**
- **Product Portfolio Management**

Science & Research
- **Application Development**
- **Laboratory Services**
- **Research & Technology Management**

Quality & Regulatory Compliance
- **Product Safety**
- **Quality Management**
- **Regulatory Compliance**

Marketing
- **Marketing Enablement**
- **Marketing Execution**
- **Marketing Strategy**

Sales
- **Customer Management**
- **Sales Channel Management**
- **Sales Effectiveness**
- **Sales Enablement & Execution**

Digital
- **Technology Strategy**
- **Technology Delivery**
- **Cyber Resilience**

Enterprise & Corporate Services
- **Service Mgmt.**
- **Audit & Compliance Mgmt.**
- **Facility & Site Mgmt.**
- **Commun. & Branding**
- **Insurances**
- **Legal**
- **M&A**
- **Pensions**
- **Risk Mgmt. & Internal Control**
- **Strategic Alliances, Venturing & M&A**
- **Sustainability Mgmt.**

Supply Chain & Fulfillment

Supply Chain (Planning)
- **Supply Chain Planning**

Procurement
- **Purchasing**
- **Strategic & Tactical Sourcing**
- **Supplier Management**

Manufacturing
- **Maintenance & Engineering**
- **Production**

Supply Chain (Logistics)
- **Logistics & Transportation**
- **Warehousing**

Data & Information management
- **Advanced Analytics**
- **Data Management & Governance**
- **Enterprise Reporting & Information management**
- **Data Quality**
- **Master Data Management**

Support Functionalities

Finance & Controlling
- **Settlements & Payments**
- **Statutory & Management Accounting & Controlling**
- **Treasury**
- **Financial Planning & Analysis**

Human Capital
- **Employee Mgmt.**
- **Organizational Effectiveness Mgmt.**
- **Workforce Management**
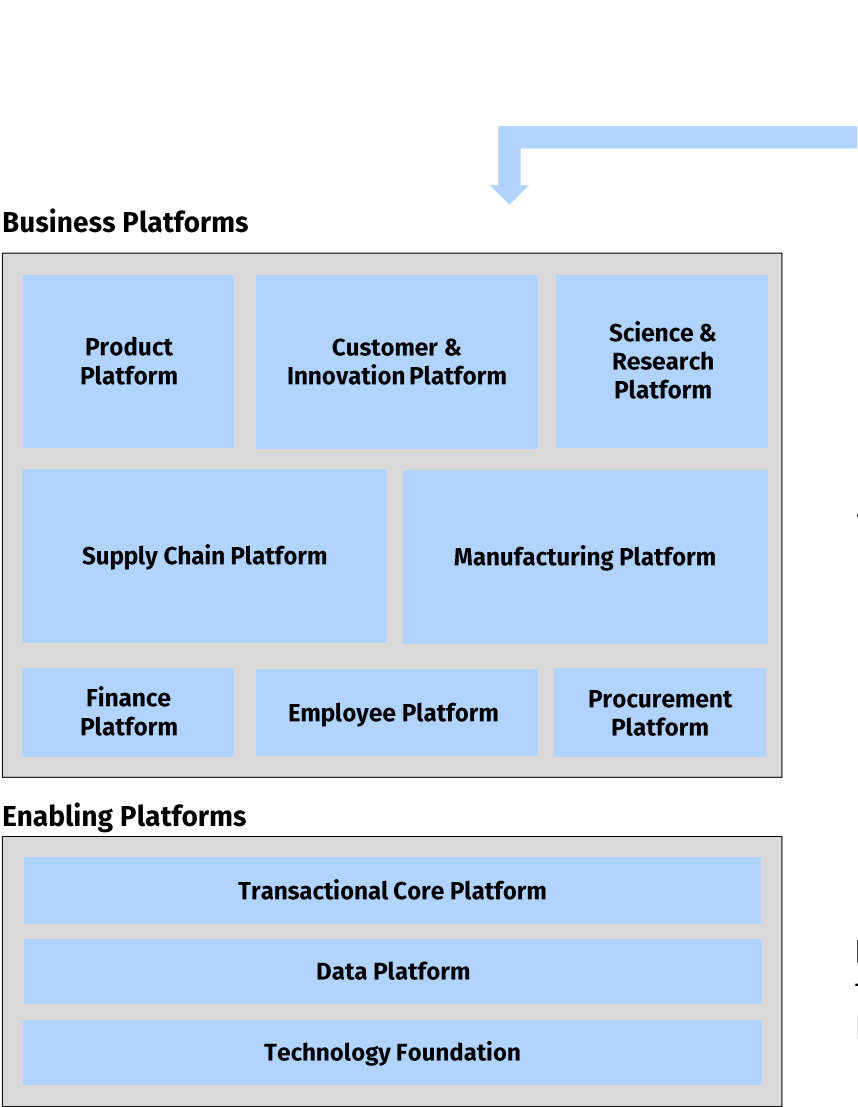
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Our processes and systems will always be susceptible to the tension of two extremes

Tuned to customer needs & constantly changing

BUSINESS GROUPS

Leveraged, standardized & optimized

ENABLING FUNCTIONS

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Following DSM-Firmenich Target Operating Model, a Platform Architecture is the ideal approach to be as standard as possible, as differentiated as needed

Highly decentralized architecture

Inventory mgmt.
SCM
Sales and dist.
Decision support
Procurement
FI/CO
HR/admin
IT

Others
APAC
EMEA
Americas

Geography

BU 1   BU 2   BU 3

Organization

Best approach for heterogenous and regional business models

Low synergy & transparency

Platform architecture

Function

...

Geography

...

Organization

Best approach to balance standardization and differentiation

Improved synergies and global transparency

Monolithic architecture

Function

...

Geography

...

Organization

Best approach to maximize synergies through global standardization

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dsm-firmenich platform-based architecture

Business Platforms

Product Platform	Customer & Innovation Platform	Science & Research Platform
Supply Chain Platform	Manufacturing Platform	
Finance Platform	Employee Platform	Procurement Platform

A Business Platform delivers on a specific business goal and strategically steers the direction of its Business Capabilities

Enabling Platforms

Transactional Core Platform
Data Platform
Technology Foundation

Enabling Platforms provide the supporting technology and data foundation across all business platforms

Co-ownership

Business   IT

IT

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Business Platforms' potential unleashed through organizational adjustment

Platforms independent from organization and governance

Organization and governance embedded in Platform
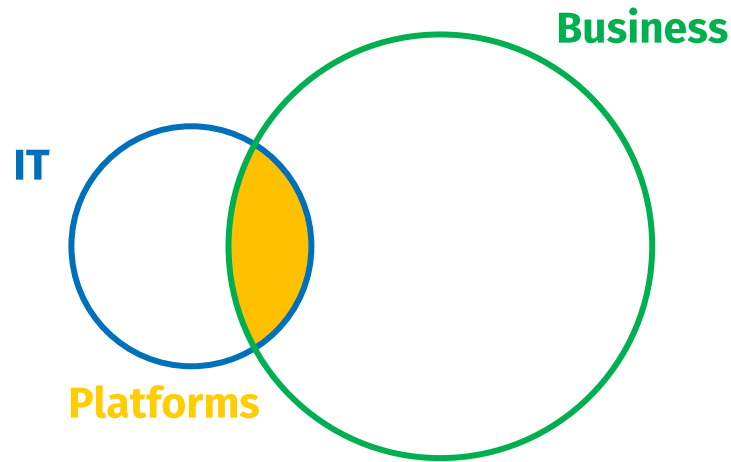
- Most business decisions are taken outside the platform and provided as input for development of Digital Products. Important IT tasks (operations) are outside the platform.

- Incentives are defined per department and not aligned to platform objectives.
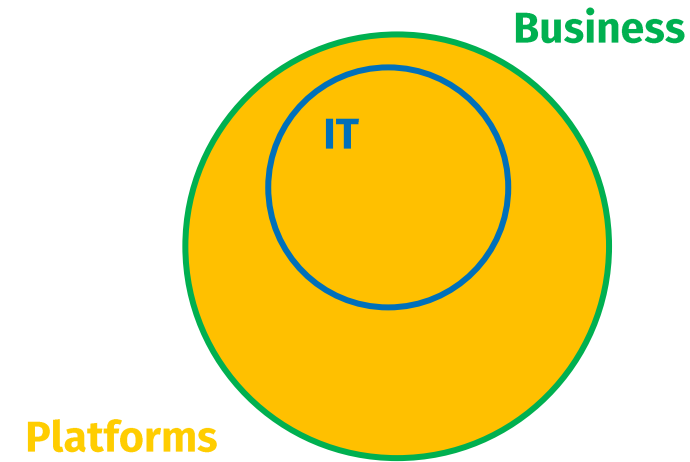
- The platform owners are end-2-end responsible to deliver business success through the platform and are responsible for engineering and operations.

- Incentives are aligned to platform objectives and identical for everyone.

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Business and IT collaborate in Platform Tribes & Product Squads focused on company results

Value delivery

OKRs are established at the platform level in line with DSM-Firmenich's business strategy. The performance of the platform is measured through KPIs and quarterly reviews
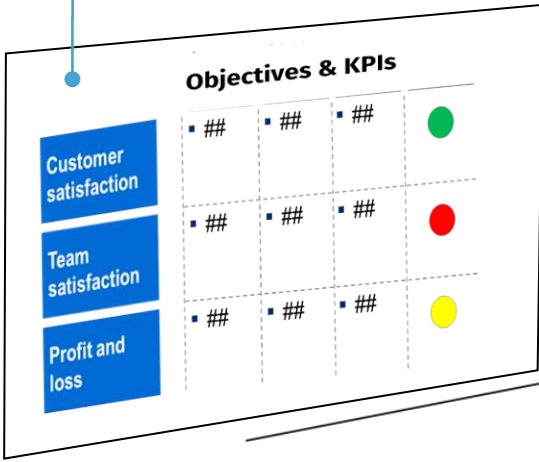
Empowerment

All business and IT decisions are taken at Platform and Product level

Steering model

Platform Tribe functions as a main body of organization and governance, sets the direction for the Digital Products, which are delivered by Product Squads

Upskilling

Enables team members through providing necessary capabilities and developing a training plan to cover the skillset gap

Platform Tribe & Product Squads

Objectives & KPIs

Customer satisfaction	##	##	##	🟢
Team satisfaction	##	##	##	🔴
Profit and loss	##	##	##	🟡

Roadmap

Wave I	
Wave 2	
Wave 3	
Wave 4	
Meetings	
Milestones	

Training plan

1. Digital Experience Design
2. Agile Ways of Working
3. Integrated Problem Solving
...
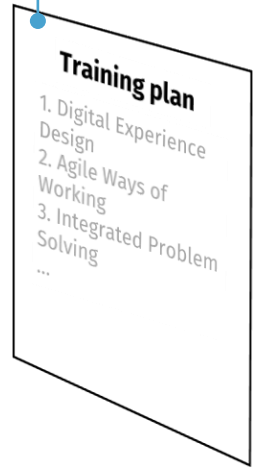
Setting & Responsibility

Consists of business and IT with E2E responsibility for the business objectives and driving standardization and differentiation where needed

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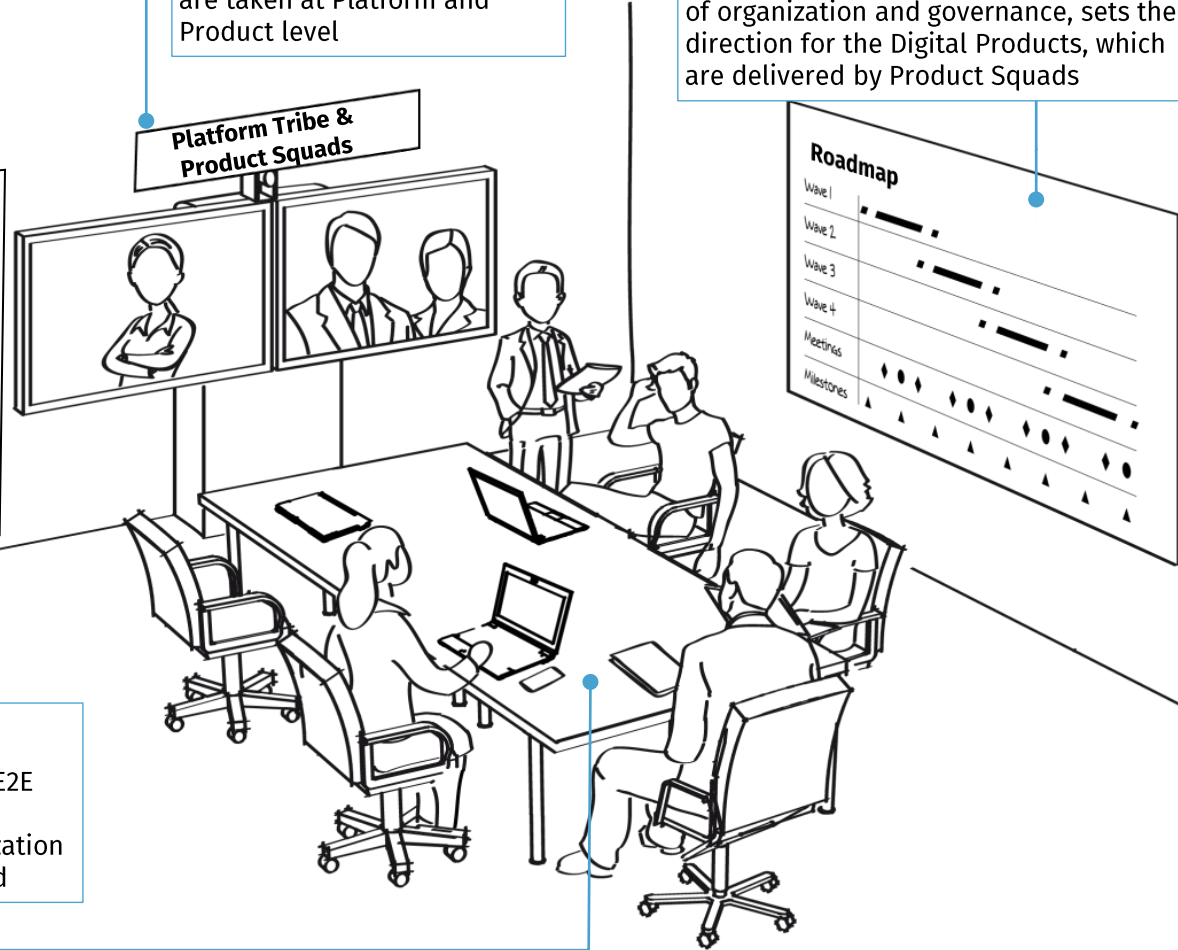
Platform Archetypes direct the decision making related to implementation of capabilities

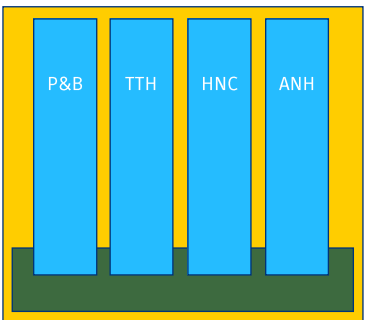**Archetypes**

Maximize leverage

Single industry software standard adopted globally to support non-competitive capabilities (e.g., Finance)
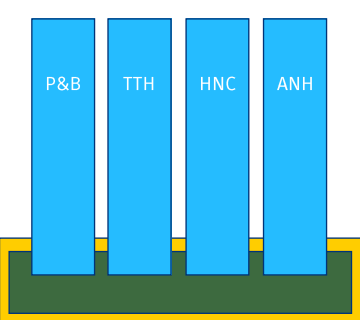
Leverage over differentiation

Standard set of technologies on which capabilities can be differentiated using configuration (e.g., Product Life Cycle Management)
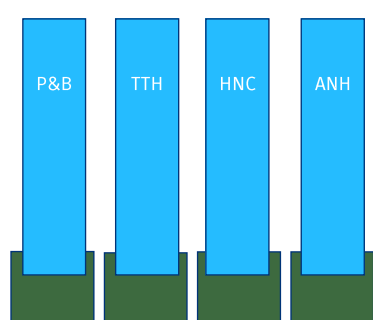
Differentiation over leverage

Certain degree of autonomy to select different technologies to support capabilities maintaining a link to limited leveraged capabilities (e.g., Laboratory Services with shared Knowledge Management)
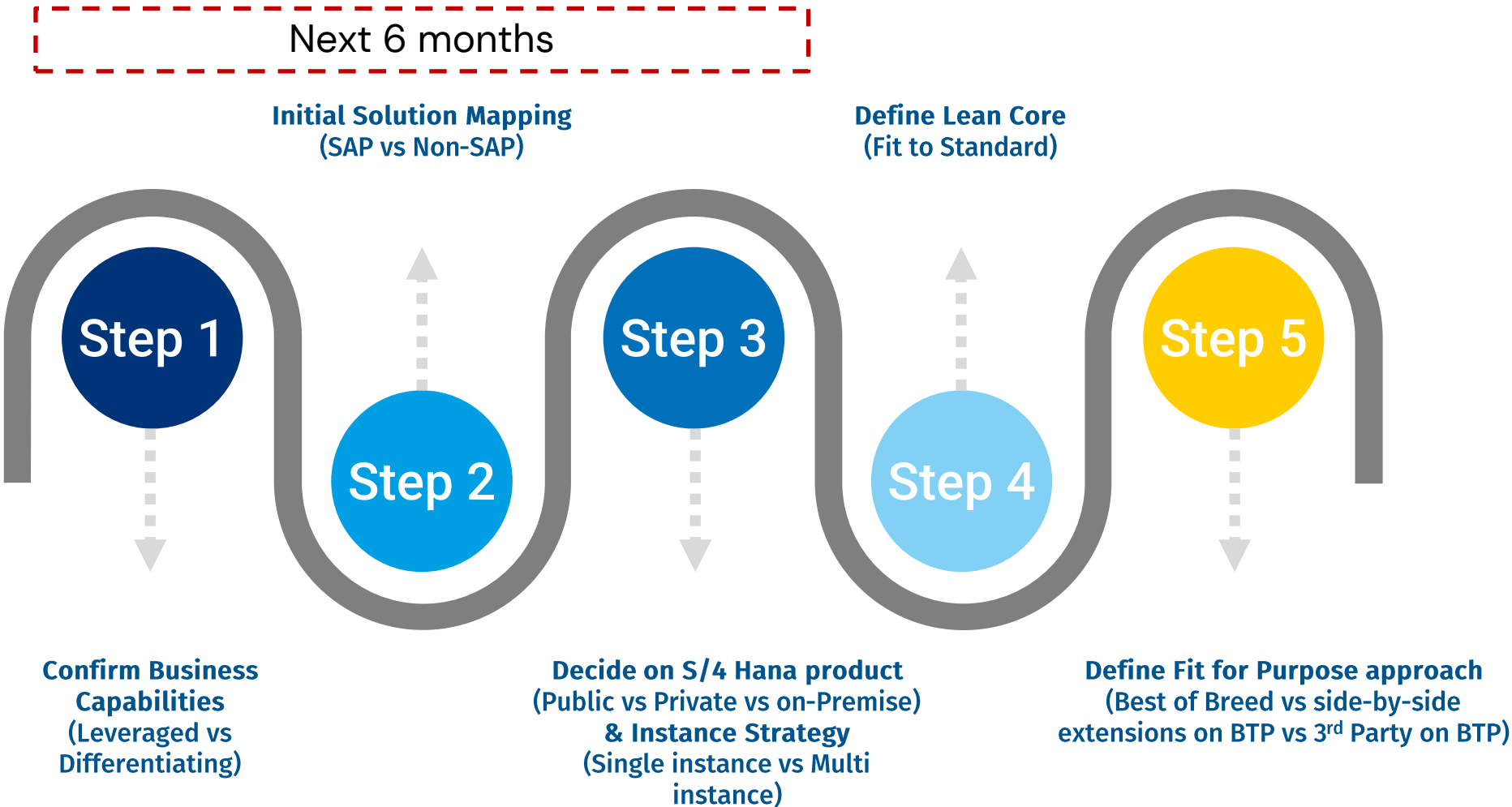
Maximize differentiation

The highest degree of autonomy, nothing leveraged. Full freedom to select and implement technology of choice – *currently not assigned*

Legend:
- Leveraged Capabilities
- Differentiating Capabilities
- Enabling Capabilities

P&B   TTH   HNC   ANH

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Composable architecture approach S/4 Hana – clean core

Next 6 months

Initial Solution Mapping
(SAP vs Non-SAP)

Define Lean Core
(Fit to Standard)

Step 1

Step 2

Step 3

Step 4

Step 5

Confirm Business Capabilities
(Leveraged vs Differentiating)

Decide on S/4 Hana product
(Public vs Private vs on-Premise)
& Instance Strategy
(Single instance vs Multi instance)

Define Fit for Purpose approach
(Best of Breed vs side-by-side extensions on BTP vs 3rd Party on BTP)

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We bring progress to life™

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We zien je graag in de Garage voor de plenaire afsluiting

Garage

Less is **MORE.**
McCOY BIG event

Kazerne Ground Floor