

Procurement in Transformation – S/4HANA as the next step to unfold a new world for buyers

International SAP Conference for Chemicals 2022

Thomas Meinel | Madrid | September 2022





Thomas Meinel

Career Path

- 2019 - today **SVP & Head of Indirect Procurement**, Evonik Industries AG
- 2017 – 2019 **SVP & Head of Global IT Application Management**, Evonik Industries AG
- 2015 – 2016 **VP & Head of Global IT Build Services & Platform Management**, Evonik Industries AG
- 2011 – 2014 **VP & Head of Global Process Organization**, Evonik Industries AG
- 2008 – 2010 **Director Process & IT Management** Methacrylates, Evonik Industries AG
- 2005 – 2007 **IT Partner** Business Unit Methacrylates, Degussa GmbH
- 2003 – 2004 **Team Lead IT Logistics**, Degussa GmbH
- 2000 – 2002 **Team Lead Global IT Production Planning**, Braun GmbH / Gillette AG
- 1996 – 1999 **IT Professional Production & Logistics**, Röhm GmbH (“Plexiglas”)

Education

- 1989 – 1995 Study: Diplom-Wirtschaftsingenieur („Industrial Engineering & Management”)
Technical University Darmstadt, Germany
- 1993 Georgia State University, Atlanta, Georgia, USA
- 2008 IMD Business School, Lausanne, Switzerland
- 2015 The Wharton School, Philadelphia, USA

EVONIK
brief overview **01**

02 Building the
**DIGITAL BUSINESS
CORE**

04 PROCUREMENT
of the **FUTURE**

03 PROCUREMENT in
TRANSFORMATION

**DIGITAL
BUSINESS
CORE**

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DIGITAL
BUSINESS
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**Evonik makes life better
day in, day out.**

No product is so perfect that you can't improve it.

more fuel-efficient



TIRES

fluffier



TOWELS

bouncier



MATTRESSES

healthier



NUTRITION

more effective



TABLETS

Turning salmon into vegetarians ...



Evonik's Health Care Business Line is a worldwide leader in the field of drug delivery technologies.

Evonik has supported various **COVID-19 vaccine projects**

from development to the production of clinical samples.

Evonik is a global leader in the technology for **transporting mRNA vaccines**

into the human cell is encapsulation by means of lipid nanoparticles (LNP)



LEADING BEYOND CHEMISTRY TO IMPROVE LIFE, TODAY AND TOMORROW

That's specialty chemicals. And that's where we're among the best in class.

> €15 billion

sales*

€2.4 billion

adjusted EBITDA*

€1.17

dividend per share

15.9%

adjusted EBITDA margin*

~80%

of sales from
leading market positions

€929 million

investment in tangible assets

>33,000

employees

106

nationalities

€2.12

adjusted earnings
per share*

* Fiscal 2021, ongoing activities

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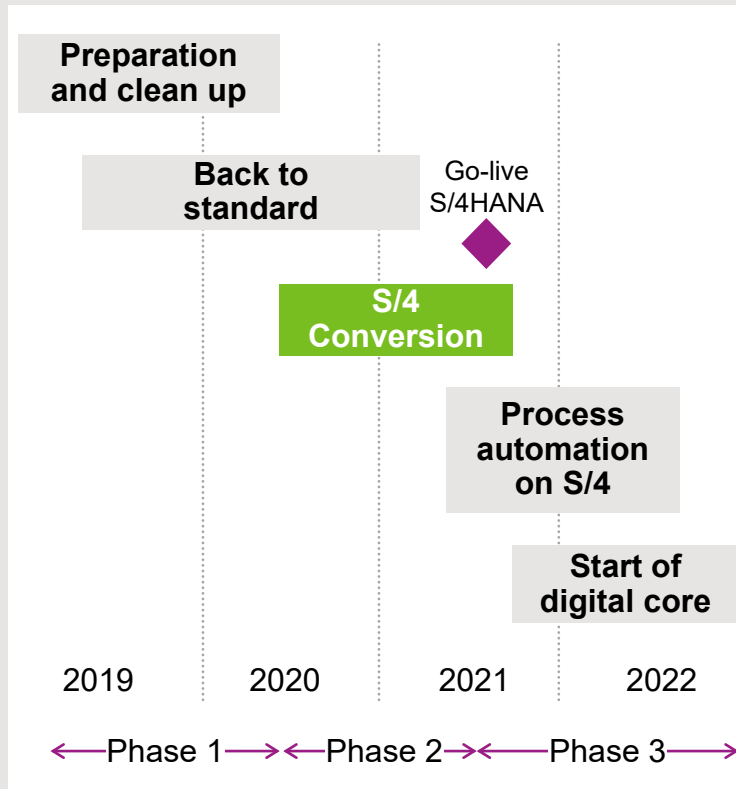
**DIGITAL
BUSINESS
CORE**

SAP S/4HANA is Evonik's Digital Business Core

Motivation

1. Enables digitalization and opens up future opportunities
2. Opportunity to focus on process standardization and harmonization to increase efficiency
3. Future-oriented technology as embedded analytics, Fiori apps and artificial intelligence

How did we do it?



Opportunities



Best in class business processes with the Digital Business Core



Best in class processes



Harmonized master data



One source of truth



Architecture



Modern user interface



Lower IT operating cost



Self-service reporting

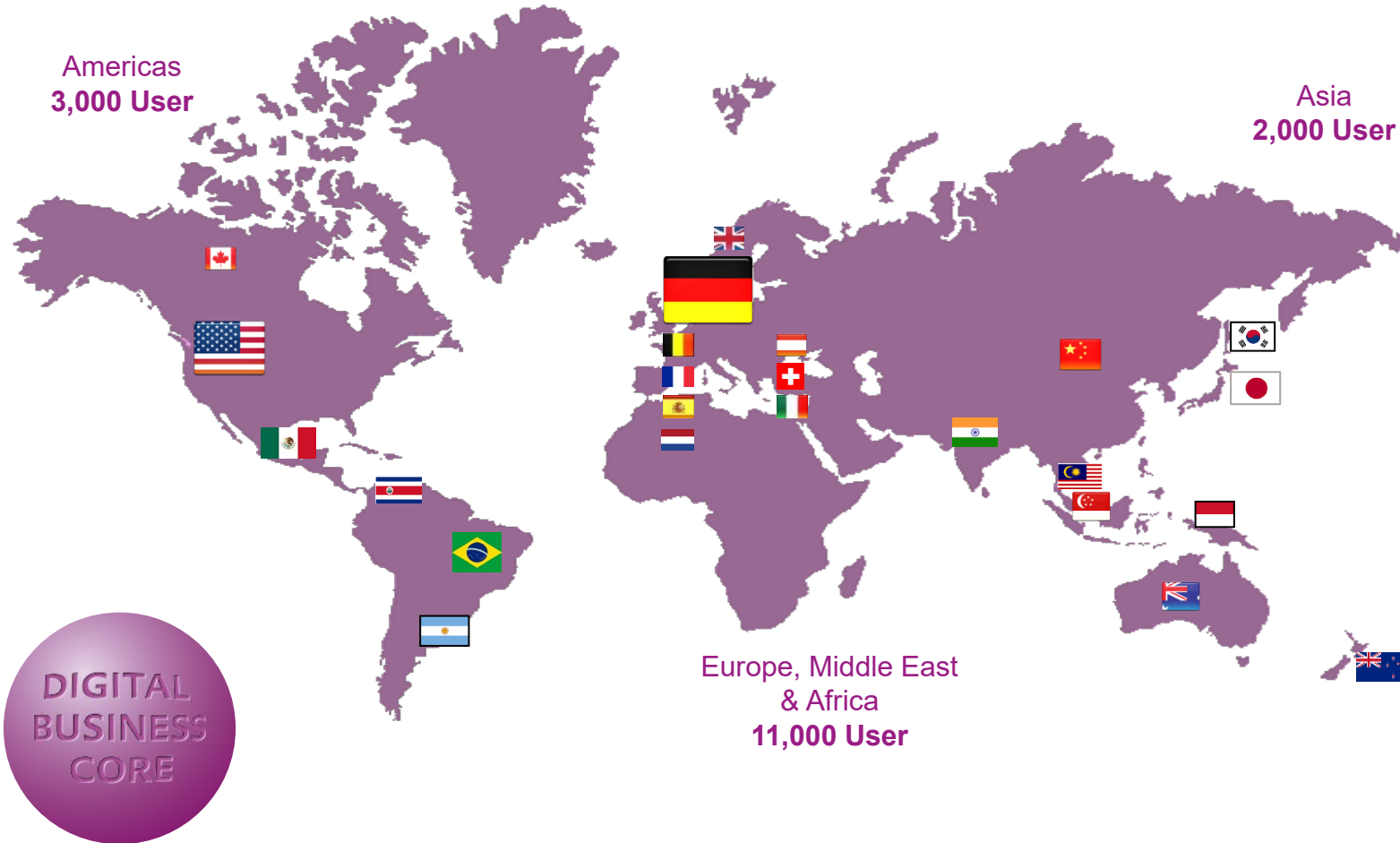


Faster and cheaper M&A



Further performance increase

About 16,000 end-users in 44 countries use the Digital Business Core






21 languages are installed:

- | | |
|--|--|
|  Brazilian Portuguese |  Italian |
|  Chinese |  Japanese |
|  Chinese trad. |  Korean |
|  Czech |  Polish |
|  Dutch |  Portuguese |
|  English |  Russian |
|  Finnish |  Slovak |
|  French |  Spanish |
|  German |  Turkish |
|  Greek |  Vietnamese |
|  Hungarian | |

Evonik Digital Core & Strategic Applications

by End-to-End Business Process

-  MS Cloud
-  SAP on Premise | Cloud
-  Others on Premise | Cloud



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brief overview **01**

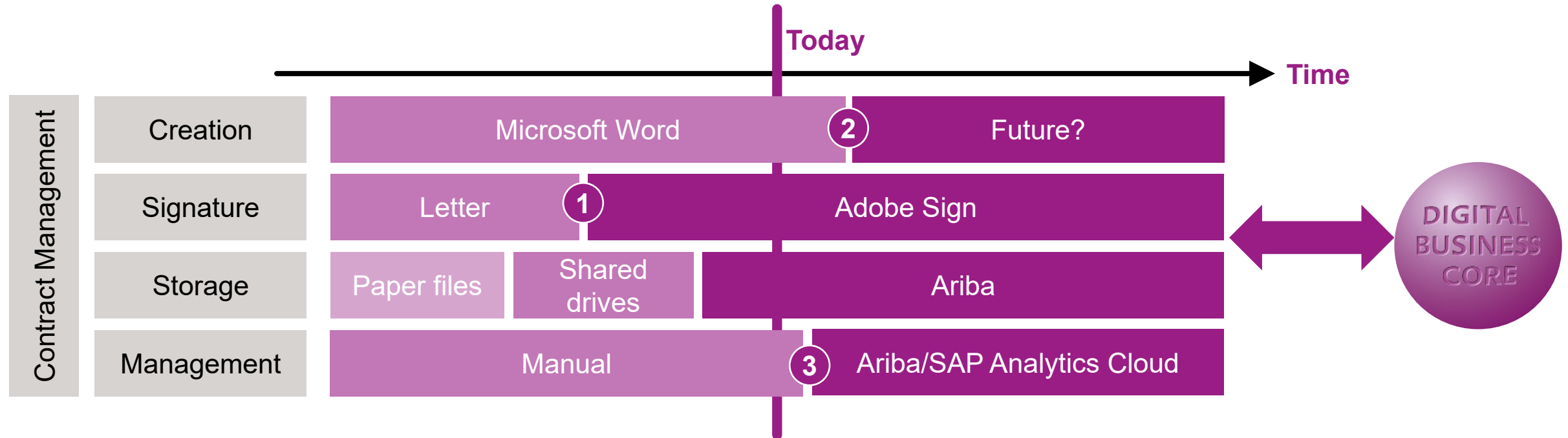
02 Building the
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PROCUREMENT
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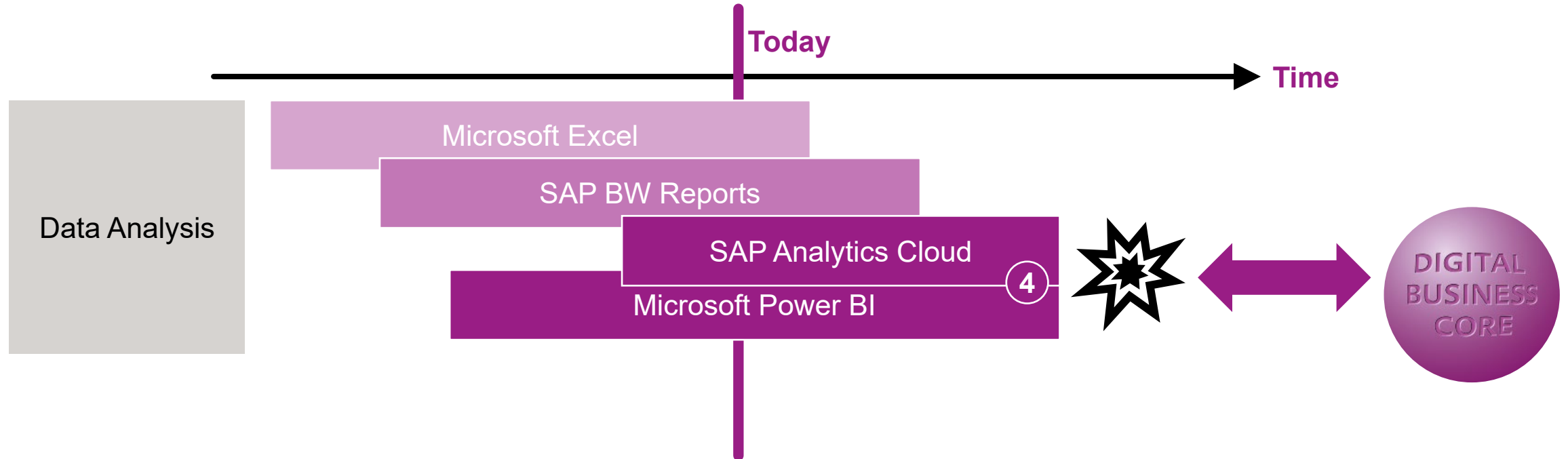
03 PROCUREMENT in
TRANSFORMATION

Tools in use for Contract Management



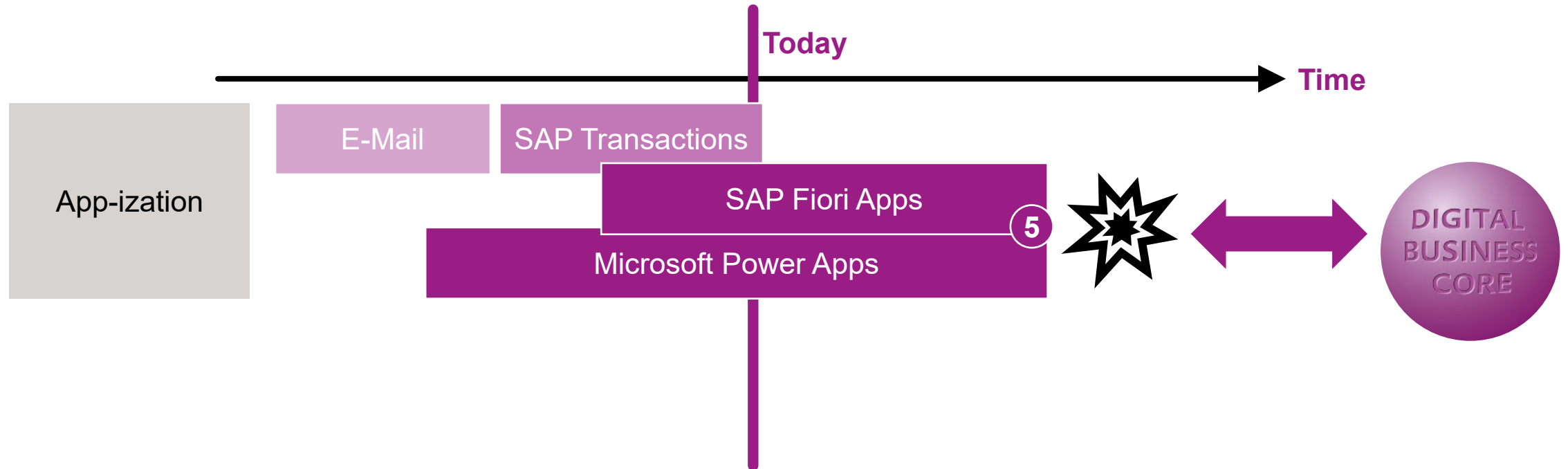
X Case examples

Tools in use for Data Analysis



X Case examples

Tools in use for App-ization of processes



X Case examples

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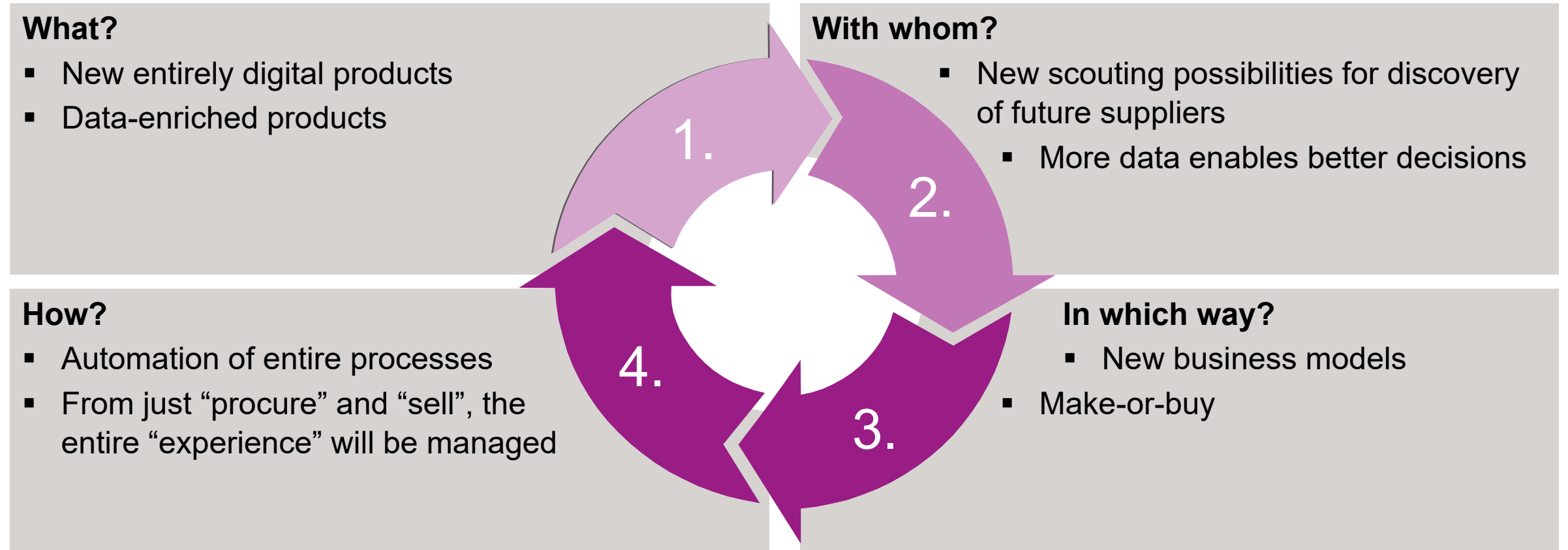
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DIGITAL
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Paradigm Shifts

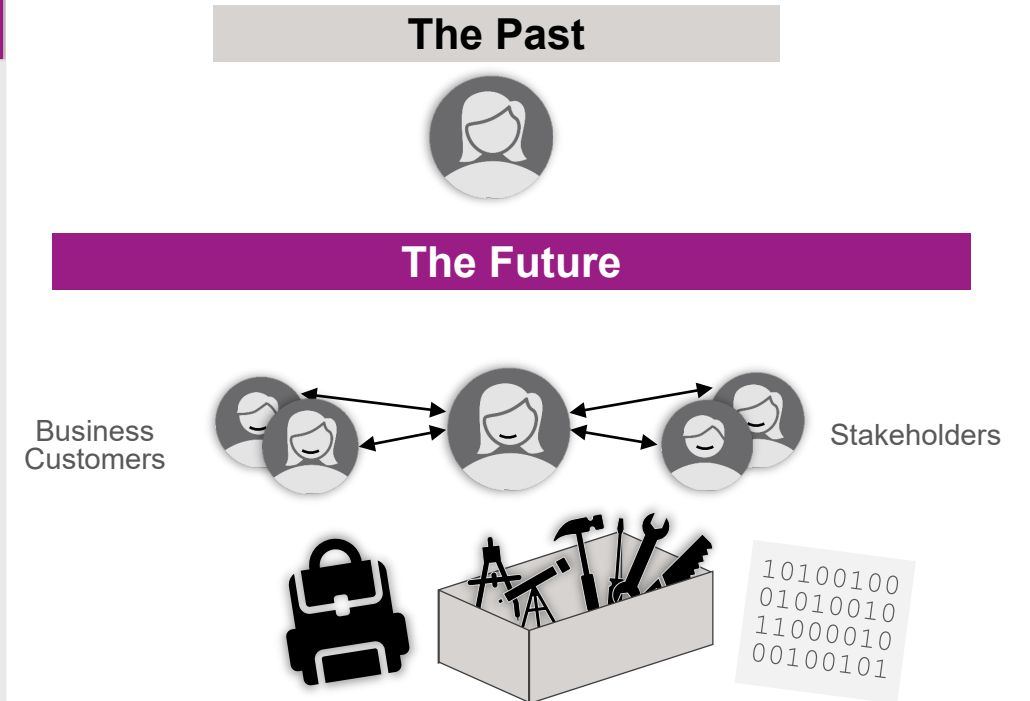
Procurement changes along the entire process



Let's prepare for the Procurement of the future!

Sourcing Manager of the Future

How to work	Classic Procurement skills	Additional skills
<ul style="list-style-type: none">• Works from anywhere• Interacts effectively in its teams• Uses collaboration platforms for internal and external collaboration (e.g., M365 and SAP Ariba)	<ul style="list-style-type: none">• Responsible for the global strategy• Close interaction with suppliers• Strong negotiation skillset• Negotiates frame agreements	<ul style="list-style-type: none">• Works on truly global level, in new markets and with complex cultural environments• Does rather exception handling than standard tasks• Relies on negotiation design (e.g., in auctions) instead of actual 1-to-1 negotiations• Data analysis



The Future of Procurement will be a constant change

Change Management

Lifelong learning
needs to be part of
culture

Integrated systems
with seamless
interfaces to provide
efficient processes

Digital Business Core



Collaboration network



Agile collaborative and intelligent network





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Leading Beyond Chemistry