TOM CHYLA
Digital Business Architect - DSM

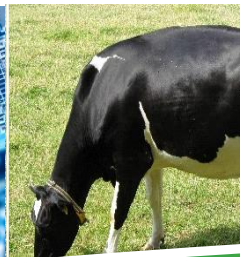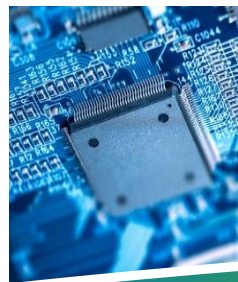https://www.linkedin.com/in/tom-chyla-837a713

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DSM at a glance

Purpose-led science to address the world's challenges in nutrition, health and sustainable living

DSM

Successful transformation future-proofing DSM

Coal mining   *(Petro)chemicals*   *Nutrition, Health & Sustainable Living*

2020

1902

DSM global workforce

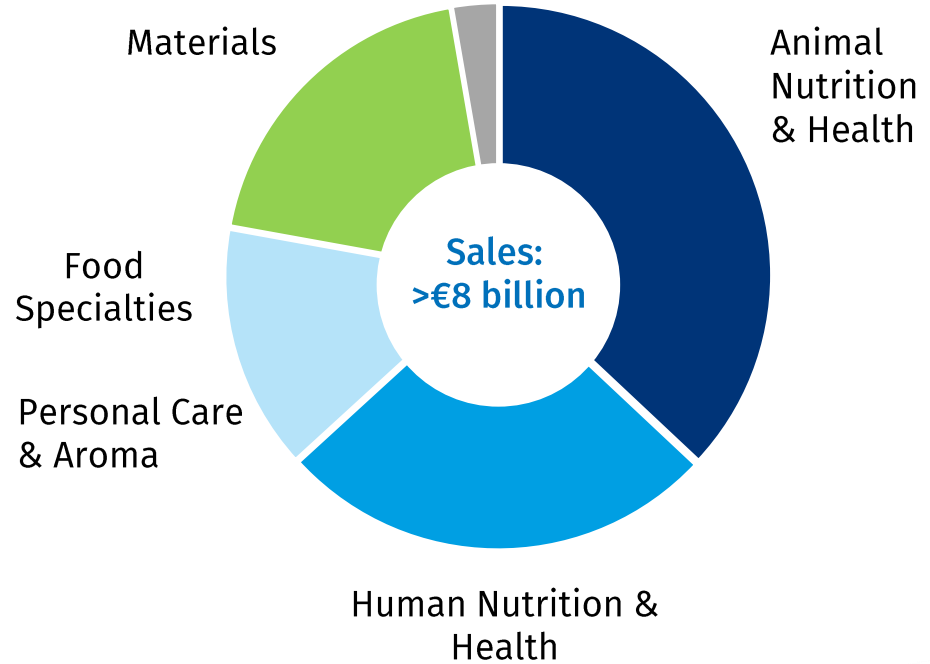*~55% Employees outside Europe (2020)*
~23,000 Employees incl. JVs/associates

Europe
> 10,000

North America
> 3,000

Asia
>7,000

RoW
> 300

Latin America
> 2,000
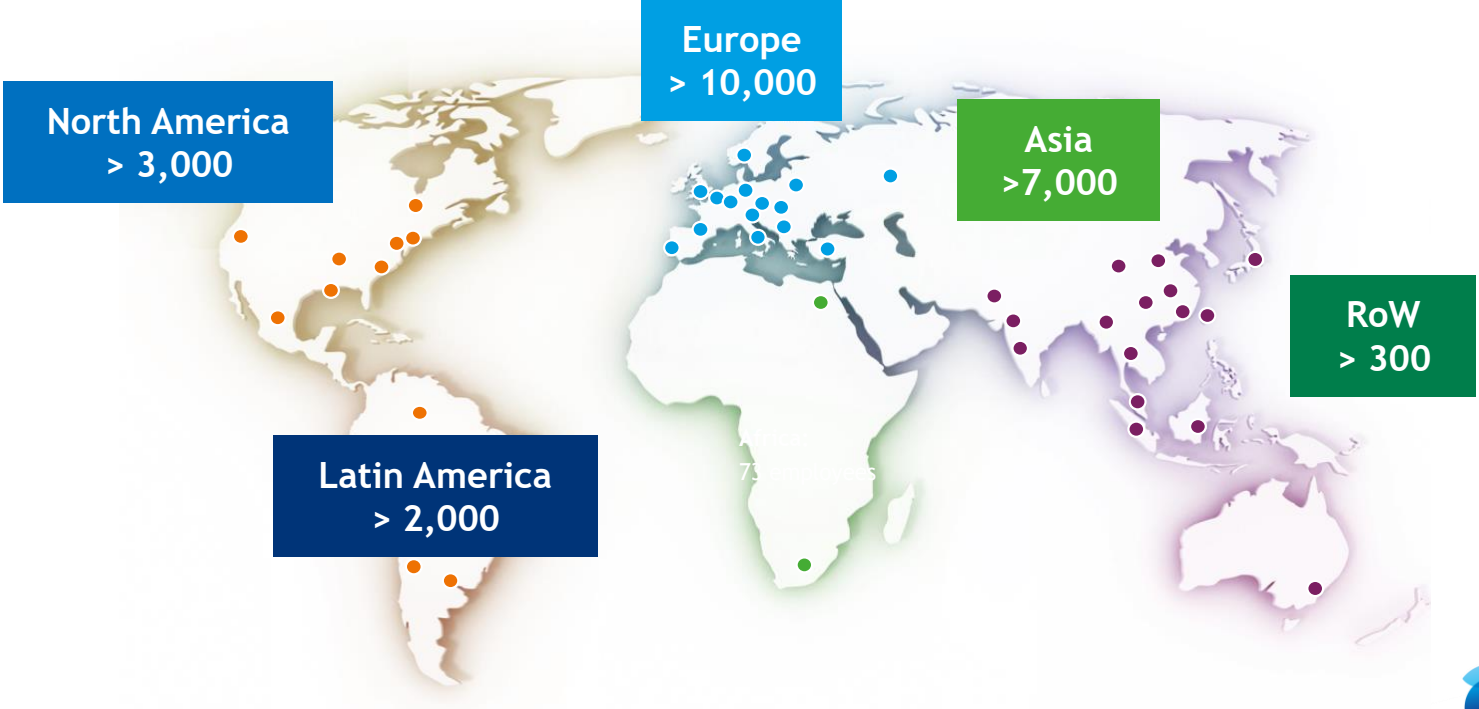
Purpose-driven
partnership
with Team DSM

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DSM

DSM at a glance
2020 numbers

- Global company with ~80% of sales in Nutrition and 43% of sales to high-growth economies

- Intrinsically innovative with 20% of sales from products launched in the last 5 years

- Purpose-led strategy aligned with the UN Sustainable Development Goals

- ESG (Environmental, Social and Governance) leader in MSCI and Sustainalytics

Materials

Animal Nutrition & Health

Food Specialties

Sales: >€8 billion

Personal Care & Aroma

Human Nutrition & Health

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High-Level SAP ERP Overview 2016 - 2021

| NR1	DEP	EPP	FSP	BOP
Resins	Dyneema & Biomedical	Engineering Plastics & MSC	Food Specialties & DBPS	Shared Service Units

NIAGA

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

DNP

BUSINESS GROUPS

PRIMARY PROCESSES

SRM   ARIBA   FIELDGLASS   CONCUR

PURCHASING

TREASURY   SEM   FSCM / SIM

FINANCE

SUPPORTING PROCESSES

euHReka   SuccessFactors

P&O

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.

DSM
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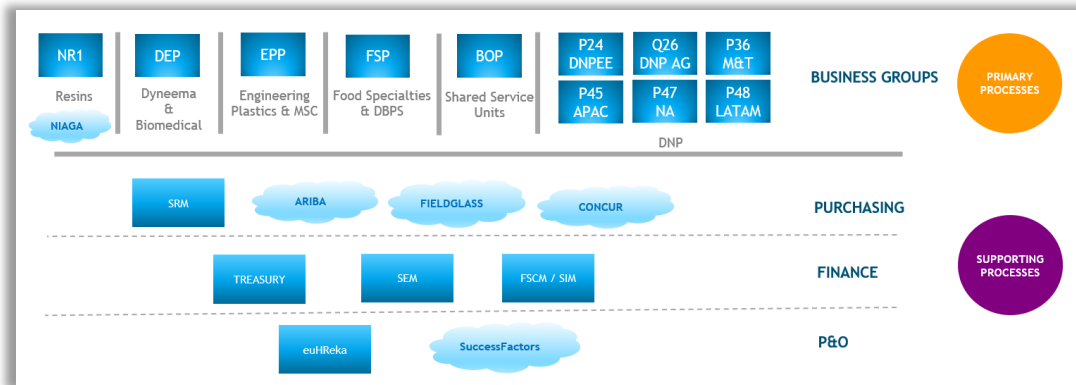
Reducing the SAP on-premise footprint -2016

The concept:

- A shift of mindset to develop solutions outside SAP, reducing SAP system customizations and modifications (SAP ERP-in-the-box).
- An opportunity to move functionality to the cloud and leverage automation opportunities.
- Continue with small business changes/legal/fiscal/security/master data changes in SAP.

Shift of DSM ERP Investments over Time
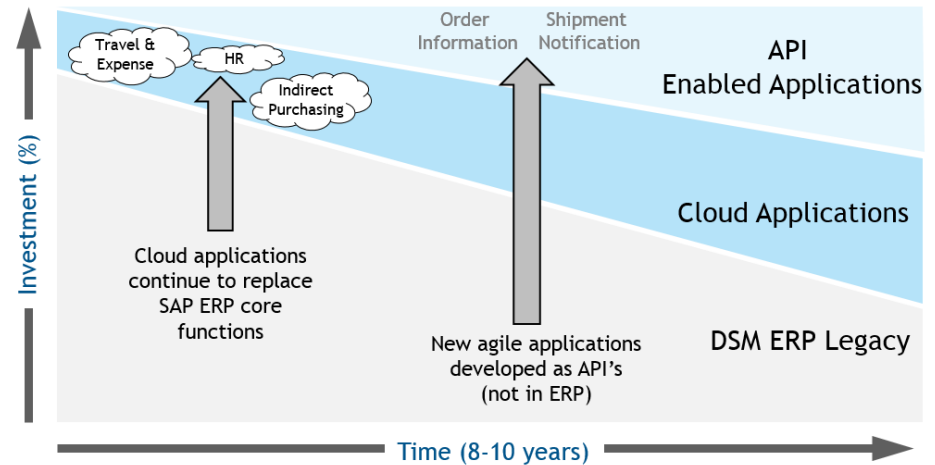
Reduction of modification, and simplification of core ERP over time reduces later impact of renewal.

ERP in-the-box & Innovations 2016 - 2021
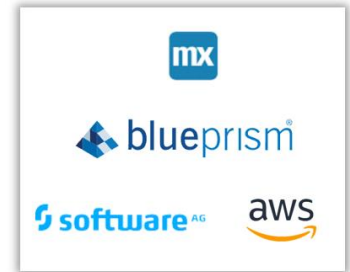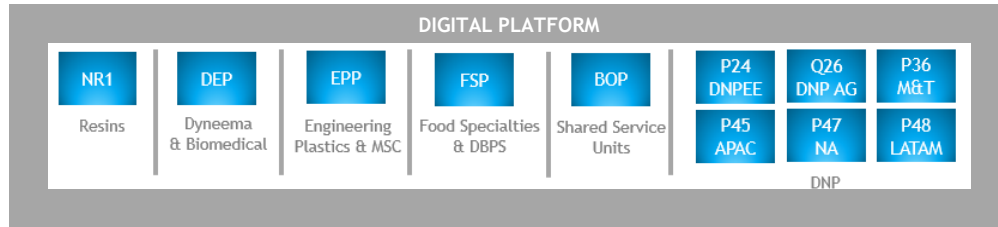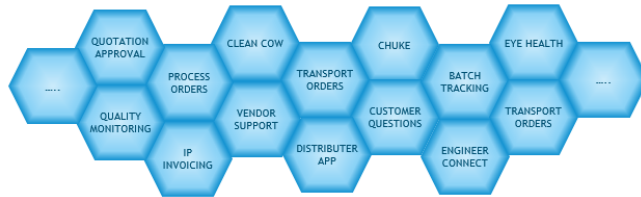
Digital Platform capabilities allow businesses to easily extend (and harmonize) system functionality to meet the changing needs of customers, partners and user groups.

Mergers, Acquisitions, JV's and strategic shifts

DSM verkoopt kunstharstak voor 1,6 miljard euro, richt zich meer op voeding

30 september 2020 09:03

...oncern DSM is op tal van terreinen actief. Op verzoek van de overheid begon het bedrijf vorige ...ok met de productie van coronatest neus swabs om een tekort aan coronatestkits in Nederland ...men. © ANP

... neemt voor 980 miljoen ...enrijkse Erber Group over

...edrijf DSM neemt voor 980 miljoen euro het Oostenrijkse Erber ...er, dat zich bezighoudt met natuurlijke voedingssupplementen, ...an diervoeder en voedsel en bescherming van gewassen. Er ...geruchten dat DSM op het punt stond een overnamedeal met ...sluiten.

...redactie 12-06-20, 09:14

...tion of vitamin E Joint Venture with ...upgrad...

...I company ...re (JV) with ...ou Vitamin...

I lijf... voed... wilmij...

...017 in FINANCIEEL

...es voor

...EN (AFN) - DSM verster... ...alchemiebedrijf maakte ... ...gsoplossingen in de diervoedersector.

ECONOMIE

DSM VERKOOPT MOGELIJK MATERIALENDIVISIE

BNR Webredactie / dinsdag 14 september 2021, 10:20

Speciaalchemiebedrijf DSM gooit zijn strategie om en gaat zich louter richten op gezondheid, voeding en biowetenschappen. Daarbij is er mogelijk geen plek meer voor de materialendivisie. De onderneming zegt de strategische opties voor het onderdeel te onderzoeken. Verkoop van het onderdeel dat hoogwaardige kunststoffen maakt die gebruikt worden in de auto-industrie, in windmolens en in beschermende kleding is daarbij een van de mogelijkheden.

Introduction of SAP Central Finance

More insights

- **Outdated EPM** (Enterprise Performance Management) solutions are impacting quality of insight into our business

- BGs have **multiple ERP** systems in place, which makes it hard to get a complete, harmonized view on our numbers

- We have no **shared data model**, making it difficult to define the right version of the truth

- Need for more **granular** and **real time insights**

- **Risk profile linked to financial close** (produced on a scattered landscape) will be **reduced**
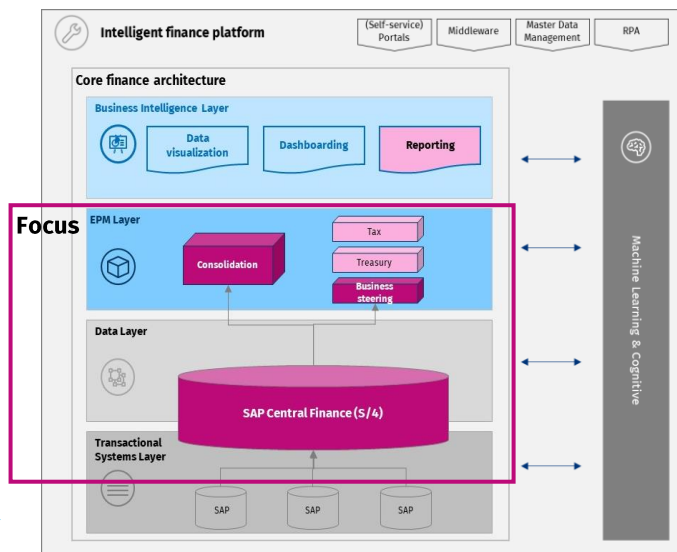
More efficiency

- **Outdated EPM** solutions also impact our efficiency

- Underlying complexity of different ERP systems results in **significant amount of manual work**

- There is **no uniform/harmonized way of working** on operational level due to system-driven differences (rather than business-driven differences)

- We have insufficient **leverage of new technologies** to automate work & drive digitalization

Solid foundation, serving as platform for growth
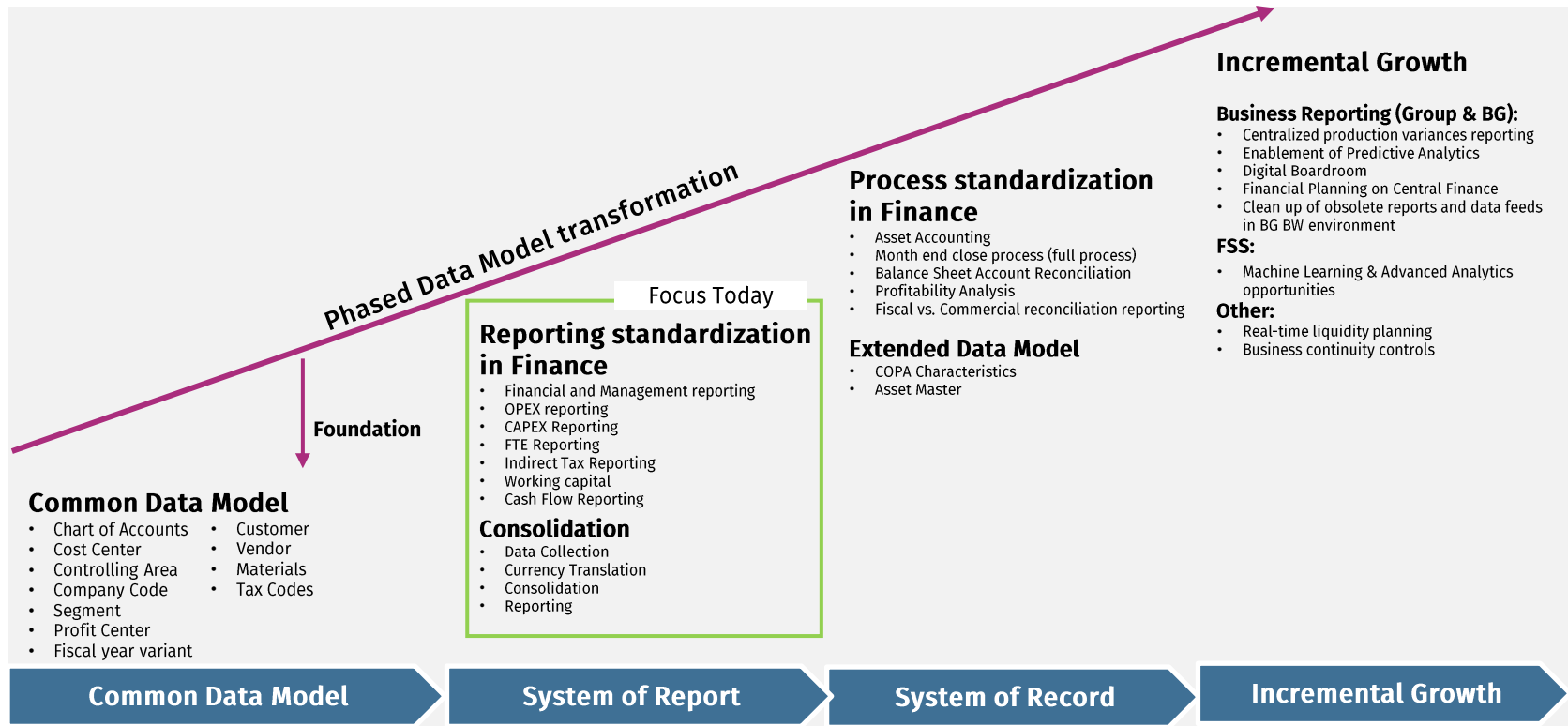
Phased Data Model transformation

Foundation

Incremental Growth

Business Reporting (Group & BG):
- Centralized production variances reporting
- Enablement of Predictive Analytics
- Digital Boardroom
- Financial Planning on Central Finance
- Clean up of obsolete reports and data feeds in BG BW environment

FSS:
- Machine Learning & Advanced Analytics opportunities

Other:
- Real-time liquidity planning
- Business continuity controls

Process standardization in Finance
- Asset Accounting
- Month end close process (full process)
- Balance Sheet Account Reconciliation
- Profitability Analysis
- Fiscal vs. Commercial reconciliation reporting

Extended Data Model
- COPA Characteristics
- Asset Master

Focus Today

Reporting standardization in Finance
- Financial and Management reporting
- OPEX reporting
- CAPEX Reporting
- FTE Reporting
- Indirect Tax Reporting
- Working capital
- Cash Flow Reporting

Consolidation
- Data Collection
- Currency Translation
- Consolidation
- Reporting

Common Data Model
- Chart of Accounts
- Cost Center
- Controlling Area
- Company Code
- Segment
- Profit Center
- Fiscal year variant
- Customer
- Vendor
- Materials
- Tax Codes

Common Data Model	System of Report	System of Record	Incremental Growth

ERP landscape – Where are we today
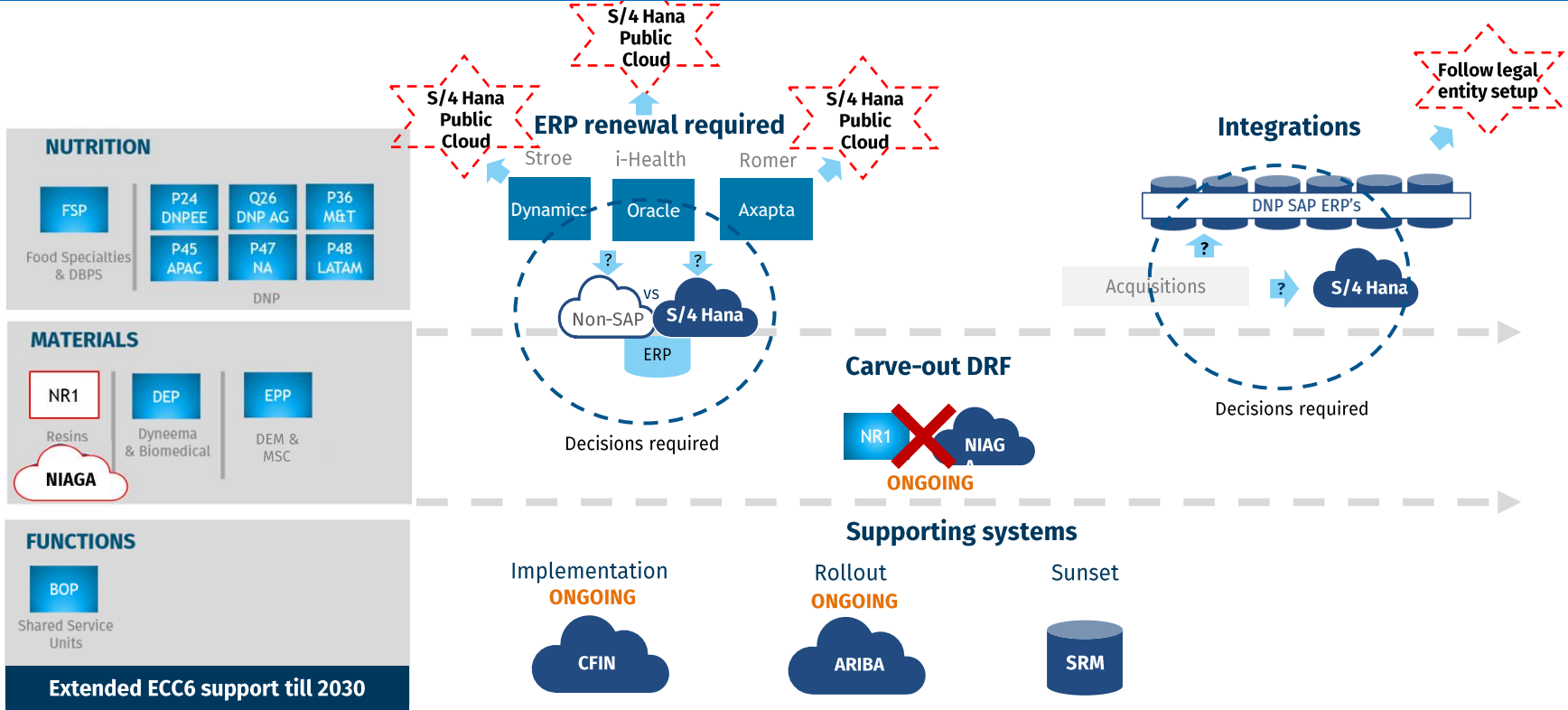
S/4 Hana Product Overview

SAP recognizes 3 flavours of the S/4 Hana Product: Public Cloud, Private Cloud and On-Premise.
These products are exactly the same. It's the service component, operations around it and flexibility which is different.
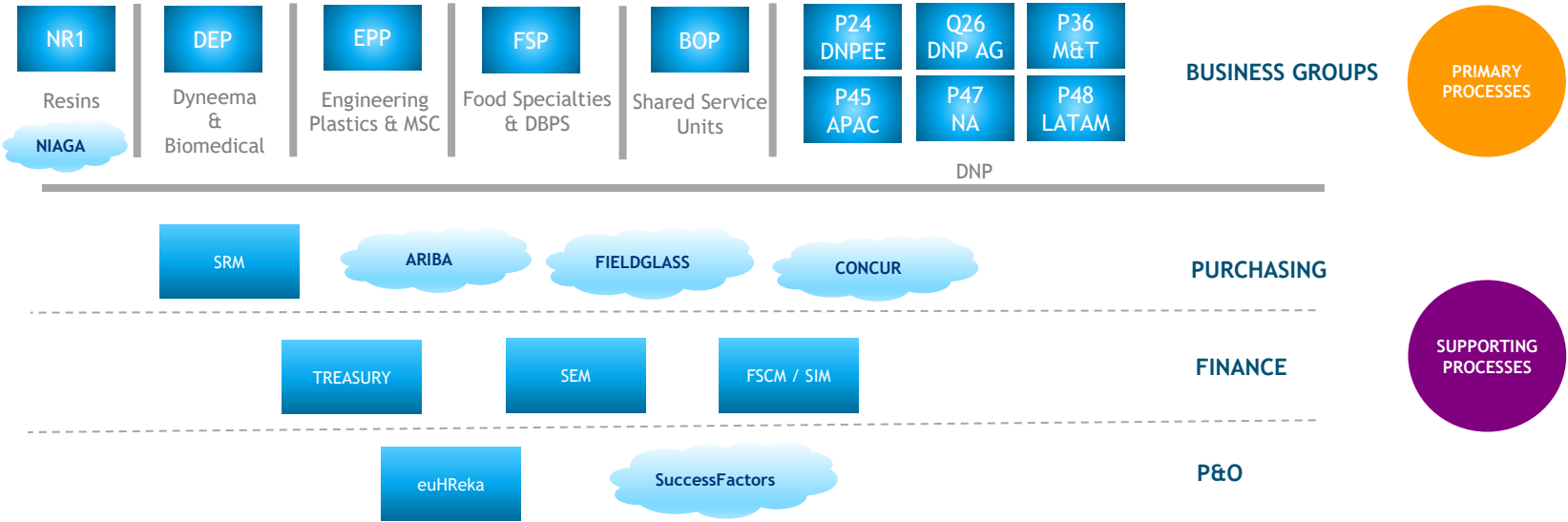
	Public Cloud	Private Cloud	On-premise
License Model	Software Subscription*	Software Subscription*	Perpetual License
Infrastructure	SAP Datacentre*	SAP Datacentre / Hyperscaler*,**	Any Datacentre
Technical Operations	SAP*	SAP*	Partner/Customer
Application Management Services	SAP*	Partner/Customer	Partner/Customer
Legal & Fiscal Changes	SAP* (provided & installed by SAP)	Partner/Customer (only provided by SAP)	Partner/Customer (only provided by SAP)
Modifications	Not allowed	Not recommended but allowed	Not recommended but allowed
Minimum upgrade frequency	2 Times per year	5 years (to stay in mainstream maintenance)	Not limited

*   = Included in SAP subscription
** = Hyperscalers are AWS, Azure, Alibaba & Google Cloud Platform

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Fit-for-Future Technology Strategy

🏭 Business Specific
Competitive advantage, tuned to business and customer needs

Principles
- Fit for purpose – Customer focus
- Agile – Flexible, adapt to change
- Speed – Deliver value early

Examples
- Formulation development
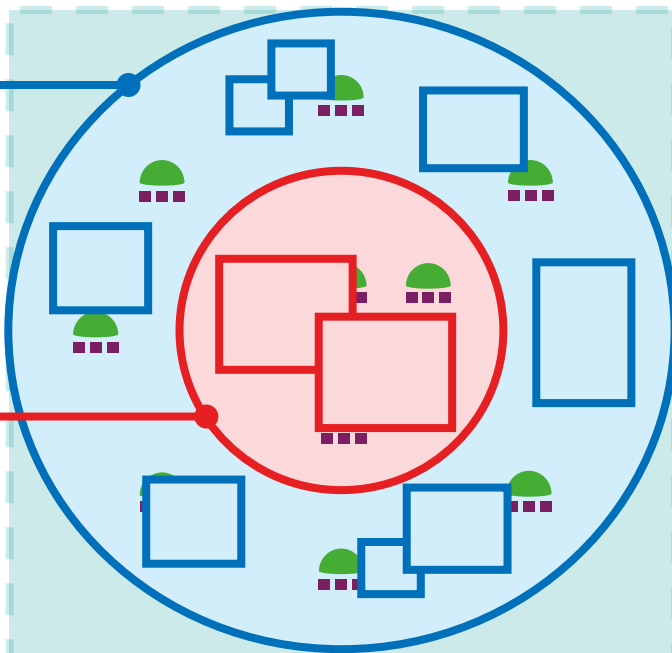- Price determination
- Produce product

⚙ Enterprise Core
Competitive necessity, driving operational effectiveness, across DSM globally

Principles
- Standardized – Out of the box functionalities
- Quality and Cost optimized – Max automation
- Clearly governed – One decision maker

Examples
- Manage account receivables
- Inventory planning & Forecasting
- Manage Payroll

🖧 Composable Architecture
Modular technology to enable business resilience

Principles
- Modularity – packaged business capability
- Discovery – easy to find, integrate and (re)use
- Autonomy – easy to change, replace and remove
- Orchestration – secure by design and ready to be used

Examples
- A 'Pricing Engine' used for price determination for a wide variety of products by different business lines

🕸 Connected Enterprise
Easy access to technology capabilities

Principles
- Commoditization of connectivity
- Accessibility and usability
- Innovation enabled through zero friction

Examples
- Every (business) capability is digitally published
- Exposed capabilities may be consumed, combined and innovated upon without consent of the owner

🗄 Data
Structured, organized quality data for the enterprise.

Principles
- Data Marketplace
- Data Management
- Data Models

Examples
- Democratized data
- Ownership, Quality
- Trusted Reporting, AI supported decisions

Business Capabilities

Fit for Future Technology

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Key learnings & 'food for thought'

- Investigate Public Cloud vs Private Cloud vs On-premise scenarios.
- Together with business decide on instance strategy.
- From "Fit-Gap" to "Fit to standard".
- Active change management is key, also/especially for IT colleagues.
- Check the peripheral systems and functionalities. Will these still work ?
- Start small. No big bang approach.
- Involve key stakeholders from start.
- Public Cloud has its challenges.

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