



SAP  
Innovation  
Awards 2019



# SAP Innovation Awards 2019 Entry Pitch Deck

Enabling Creation of Global Leader in Agriculture

Bayer

THE BEST RUN



# Enabling Creation of Global Leader in Agriculture

## Bayer



### “Quote”

“It was a project unprecedented in its approach and its global scale and scope for Bayer and the market. TCS brought in the required industry thought leadership, full services capability and a ‘can do’ approach to ensure that we delivered a modern, optimal and fully functional administrative backbone on time. The integrated team of Bayer and TCS made this project a real success. It allows Bayer to fully focus on our own priorities, first and foremost the integration of Monsanto.”

DANIEL HARTERT,  
HEAD OF BUSINESS  
SERVICES AND CIO, BAYER  
GROUP

### Challenge

- ✓ Bayer AG (€ 35 Billion Life sciences co.) acquired Monsanto (€12.6 Bn world number 3 agro business) in 2016, creating a global leader committed to transforming agriculture
- ✓ To close the deal, Bayer required approvals of local antitrust/regulatory bodies in 30+ countries. To remain compliant and preserve competition, divestitures of selective business segments (Crop Protection and Seeds) are required
- ✓ Bayer requires effective way to ‘package’ divested business entities as stand-alone operating entities to prospective buyers

### Solution

- ✓ Setup standardized End-to-end business processes and IT infrastructure, for 3 different divested entities on Public and Private clouds
- ✓ ERP-SAP Landscape hosted on TCS Private SoH cloud(~2000 users) and HR solutions using SAP SuccessFactors (3700 users in 43 countries)

### Outcome

- ✓ Risk averse & Non invasive IT infrastructure with no disruption to the retained business running on Bayer’s IT landscape
- ✓ Industrialized divestiture ‘factory’ for Rapid carve-outs and spin-off’s
- ✓ On Day1, business ready & fully operational setup with IT & Business support backbone transferred to the purchaser of the divested entities

Bayer is now Market Leader in  
Agriculture and Crop Sciences

Secured \$9 billion from divested  
entities

Strong Value Creation by ~ \$1  
bn in annual cost Synergy  
targeted by year 2022



## Partner Information

### **Tata Consultancy Services : Transformation Partner for Merger and Divesture**

Tata Consultancy Services helped Bayer to realize their Business Objectives by leveraging their extensive knowledge and experiences in Life Science domain, Technology and Business Support functions



This is a huge achievement, and you can all be very proud of what this team has accomplished by working hand in hand over the last two years

Jutta Valkenberg

Head of Projects



## Business Challenge & Objectives

- World Agriculture market is being driven by long term Mega trends, wherein the world population is expected to grow to 10 Bn by 2050
- Growing population requires 50% more food and feed supply. On the contrary, 12 mio hectares of agricultural land is lost annually.
- As per some estimates, agricultural input market will grow to 110 Bn Euros annually by 2025. To meet this demand a significant increase in agricultural productivity is required. which in turn can be enabled through innovations.
- Bayer acquired Monsanto in 2016 to realize the corporate vision of becoming global leader committed to transforming agriculture
- Bayer needs to Divest selective business segments (Crop Protection and Seeds) to obtain approvals from local antitrust/regulatory bodies in 30+ countries as a prerequisite to close this deal
- Bayer requires effective way to 'package' divested business entities as stand-alone operating entities to prospective buyers

- Setup Cloud based ERP landscape that will allow Bayer to manage multiple business entity divestitures in a scalable and repeatable mode.
- Set up industrialized divestiture 'factory' that will enable rapid carve-outs and spin-offs post regulators' approval
- Independent and self-reliant factory from Day 1 of separation to avoid the need of TSA (Transition Service Agreement) with Seller.
- Minimal involvement of Bayer's team and IT Landscape
- Setup risk averse & non invasive IT infrastructure hosted by TCS, with no disruption to the operations of the retained organization on Bayer's IT landscape
- Free up Bayer capacity post divestment of portfolios and help Bayer team to use their capacity for Monsanto Merger activities



## Project / Use Case Details

### Project Approach :

Bayer wanted a model which is,

- ✓ Scalable and repeatable to manage multiple business entity divestitures
- ✓ An industrialized divestiture 'factory' that enables rapid carve-outs and spin-offs in the future
- ✓ Self reliant business and runs on its own after Day1 with no dependency on Seller or Acquirer.
- ✓ Minimizes the need of TSAs from seller

### Solution:

Delivered end to end solutions for 3 parallel divestitures for Bayer's Crop Protection and Seeds businesses, which works in an integrated manner to deliver all IT services needed to independently run a company. The IT Landscape was setup with 'Cloud First' principle. Core ERP was hosted on TCS Private SAP SoH cloud, while HR functions were deployed on SAP SuccessFactors ( Employee Central, PMGM, Recruitment, Onboarding and Compensation Management) and Employee Time Management on SAP WorkForce. The processes defined were lean and 'Fit for Purpose'. TCS supports the IT functions and Business Support Services of divested units from multiple locations in India, Germany, Hungary, US, Brazil and China.





# Benefits and Outcomes

## Business / Social

- Bayer becomes Global Leader in Agriculture and Crop Sciences
- Successful and Timely closure of Bayer-Monsanto merger deal
- Bayer secured \$9 billion from divested entities
- Strong Value Creation of ~1bn \$ in annual Synergy
- Development of customized solutions for next generation farming

## IT

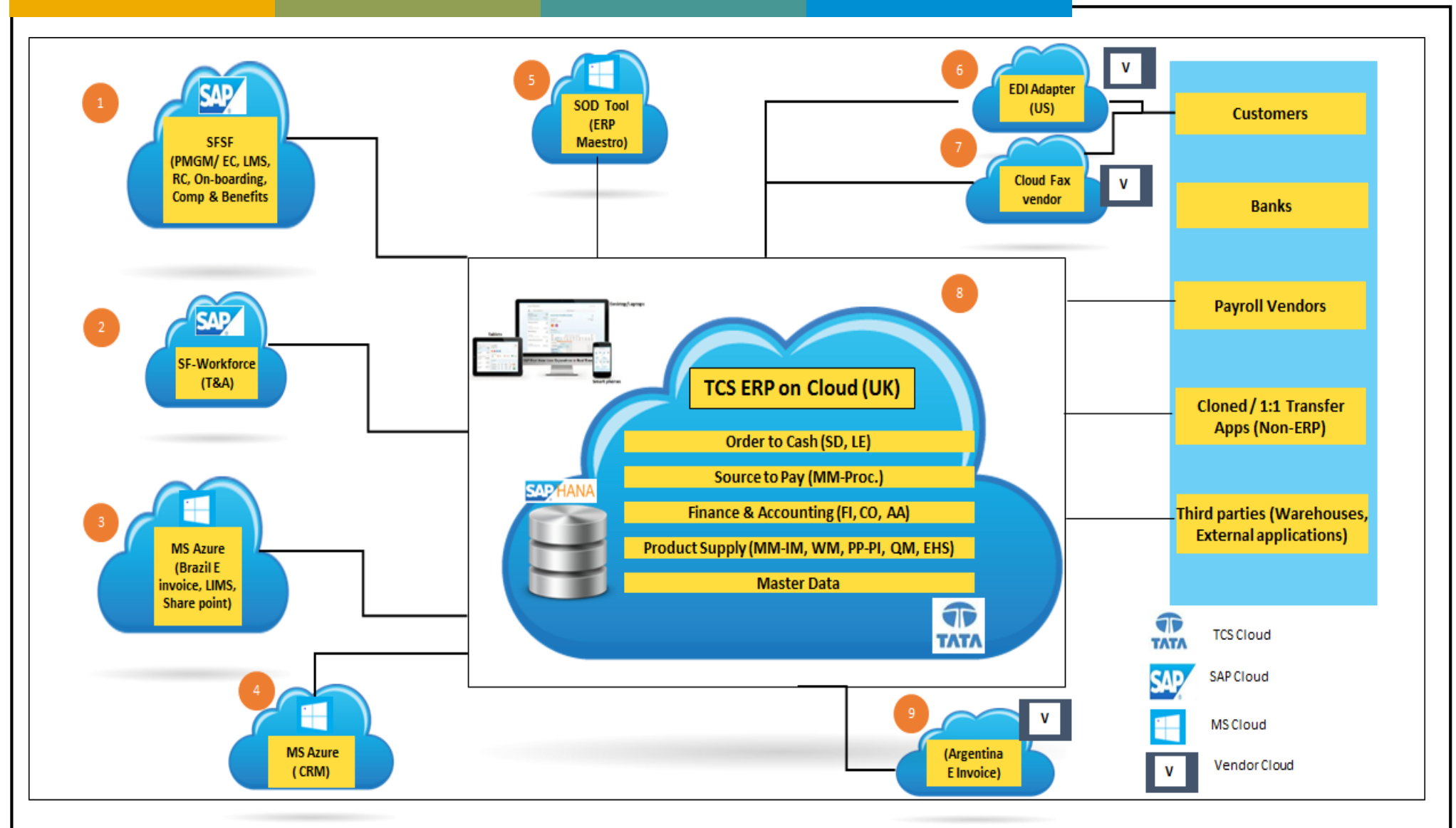
- Creation of scalable, lean and simplified business processes on Cloud based IT Landscape
- Enables Bayer for rapid and cost efficient divestitures in future.
- OpEx based model resulting in significant reduction of IT Spend

## Human Empowerment

- Release of Bayer IT capacity post divestment of portfolios in turn helping Bayer team to use the released capacity for Monsanto Merger activities
- Reduced post divestment change management efforts for Bayer IT and Business



# Architecture





## Deployment

Date of Deployment or POC: Aug 2018

Number of live users: SoH- 1964 , SFSF - 3700

### SAP Technologies Used:

	Live?
SAP SoH on TCS Private Cloud	√
SAP SuccessFactors	√
SAP WorkForce (Time Management)	√
SAP HCI	√

Server Processor: VMWare Inc

Linux Distribution: SUSE 12SP1





## Emerging Technologies and Use Cases

The following Emerging Technologies and use-cases are part of the project and describe the contribution

	Technology or Use Case	Yes/No	Contribution to Project
1.	Machine Learning / Artificial Intelligence		
2.	IoT		
3.	3D printing		
4.	Blockchain		
5.	API Economy / Integrate the Intelligent Enterprise		
6.	Cloud Native / Event Based Architectures	Yes	Successful deployment of 'Cloud First' Principle which enables scalable and lean IT architecture
7.	Extending the digital core with SAP CP / ABAP in SAP CP		
8.	SAP Leonardo Application ( extending SAP application, using Industry Innovation Kits or result of Design Thinking workshop)		