

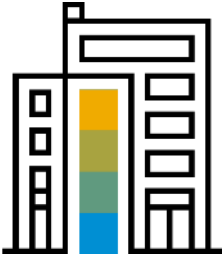
# BEST RUN AWARDS FOR SEA

MAKING THE WORLD RUN BETTER

# 2021

## Indorama Ventures Public Company Limited

Aligned System And Processes (A.S.A.P)



# Company Information



**Headquarter** Thailand  
**Industry** Petrochemicals  
**Website** <https://www.indoramaventures.com/en/our-company/at-a-glance>

The company was founded by Indian Businessman Mr. Aloke Lohia and started its operations in 1994. The company is headquartered in Bangkok and listed on the Stock Exchange of Thailand.

Indorama Ventures PCL. is a world-class sustainable chemical company and one of the largest global chemical manufacturer with a presence across 40 countries and 161 operating sites. It is the global integrated lead in Polyethylene Terephthalate (PET) and fibers and ranks at #1 position as global producer of PET. In the last few years, the company has rapidly grown inorganically and as a result has been operating with multiple digital platforms and processes. Currently, it has more than 24,000 employees across the globe with a revenue of USD 10.59 Bn in 2020.

Indorama Ventures PCL. is known for developing innovative products for customer needs and offers a wide range of petrochemical products— Polyethylene Terephthalate (PET), Packaging, Feedstock, Fibers, Recycled Products, and Wool.

Beyond offering outstanding services and products to the customers, the company also takes massive efforts to contribute to three pillars of sustainability – Economic, Environment and Social, leading to creation of a holistic and circular ecosystem in the future.

# Aligned System And Processes (A.S.A.P)



## Indorama Ventures Public Company Limited (IVL)

## The Game Changer

### “Quote”

“A.S.A.P is the largest global transformation program we have undertaken at IVL and will touch across every dimension of our business and enable us to be truly global by reducing complexities and enabling our future growth in this digitalized business environment.”

- Mr. Alok Lohia,  
Group CEO, IVL

“I think I've been part of 5 or 6 SAP go-lives during my career and as such have some idea of what day one is usually like. I can honestly say that we are usually targeting to complete some of each transaction during the first couple of days, but I have never been part of a go-live where we managed to enter sales order, create delivery, complete a goods issue, create a purchase order, create an invoice all in the first day - which is what happened this Monday for Spindletop. A remarkable achievement for all involved.”

- Ms. Carol Ottaway  
VP- Supply Chain & Logistics, IVL

“This is a proud moment, a lot of hard work coming to fruition. I would like to thank each member of the team for their efforts in the last 18-21 months. Best wishes for a smooth delivery.”

- Mr. Sanjay Ahuja,  
CFO, IVL

### Challenge

In the last decade, IVL has seen an immense growth through inorganic expansion across the globe. As a result, IVL has harboured more than 70+ system instances (including 17+ ERP systems), along with different processes which has led to siloed business operations and local ways of working. Intending to achieve a standardized digital platform and transform ways of working for its 24000+ employees across 40 countries, IVL has embarked on the largest Greenfield S/4HANA and SuccessFactors implementation in the chemical industry.

### Solution

IVL partnered with Accenture and SAP to kickstart the global ERP implementation – Aligned System And Processes (A.S.A.P) project to implement S/4HANA, SuccessFactors and multiple other associated systems like Vistex, GTS and MDG for 7 business functions. Accenture agreed to work on the A.S.A.P project notwithstanding uncertainties associated with the pandemic which was declared just a week prior to the start of the journey and ultimately Accenture was able to deliver significant portions of the project remotely while remaining on schedule and budget. The transformation focuses on establishing a strong vision and leader sponsorship, mobilization of teams across globe, people centricity through robust change management and leveraging digital technology for collaboration across the globe leading to one digital core ERP platform.

### Outcome

A.S.A.P aims to drive both quantitative and qualitative benefits resulting from data and process standardization with the introduction of new system. It also aims to provide a single source of information across IVL and cloud-based solutions for operations enhancement, standardize employee development capabilities and customer supplier experiences leading to reduction of total cost ownership for IVL's application landscape. S/4HANA value levers are expected to provide 3x ROI over 7 years and reap benefits of \$ 44.9 – 61.5 Mn/ year. In addition, the system will lead to significant qualitative benefits like streamlined ways of working, integration across sites and bring forward industry-wide best practices to IVL.

SAP S/4HANA: Release 1 (pilot) has gone live for **1000+ users** from **3 entities** in **7 countries** across **6 workstreams** – Operations (PP, QM, PM, EHS), Finance, SCM, Sales, Procurement and MDG

SuccessFactors: **4 Releases** have gone live for **6 modules** – Performance & Goal Management, Career Development Planning, Learning Management System, Employee Central, Recruitment & Onboarding

Accelerated Digital Adoption through usage of **collaboration tools** (MS Teams, JIRA, Confluence, Yammer, SharePoint, Menti, Miro, Kahoot)



## Partner Information

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**Accenture**

**Account Leadership**

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### Quote from the Partner

**“This transformation will take IVL to a whole new level of global excellence and drive home the true meaning of operating as 'One IVL'. It is phenomenal to see the emphatic way in which we continue to withstand all complexities and drive the success of this exciting journey. Going forward, the success of this transformation will raise the bar very high for future transformation programs within and beyond the Chemicals Industry.”**

**- Sanjeev Mathur, Managing Director, Accenture**



# Business Challenge and Objectives

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## Business Challenges:

- Indorama Ventures PCL. is a global chemicals company with presence in 40 countries and 161 operating sites, 24000+ employees and 3 lines of business.
  - The company has shown a significant growth over the last few years, including acquisitions of many sites across the globe.
  - As a result, the IT landscape has become very complex with more than 70 systems existing across the organization, along with many more local systems.
  - This has led to siloed and disparate ways of working across IVL and limiting its ability to derive synergistic benefits across its entities, along with a limited view on data and information across sites – and hence a compelling need to establish an integrated system across the organization.
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## Objectives:

- Project is a key part of IVL Olympus project, that aims towards driving ~\$600M of savings by 2023.
- The overall objective of the project is to establish one core digital platform across all of IVL sites and drive acceleration towards becoming a digitally intelligent enterprise.
- The project will introduce best practices via implementation of standard processes, master data and streamlined reporting across all business functions, thus accelerating the degree of new acquisitions.
- Significant benefits across multiple streams including reduced inventory costs, lower maintenance cost, faster reconciliation of accounts, reduced procurement spends, reduced customer service costs, enhanced employee experience and talent management
- This project will also enhance the compliance levels of IVL through areas like Master Data Governance (MDG), Employee Health and Safety (EHS).



# Benefits & Outcomes

## BUSINESS / SOCIAL

- A.S.A.P project is a key part of IVL Olympus project, that aims towards driving ~\$600M of savings by 2023
- Standardized master data will enable intra-group benchmarking and streamlined processes will reduce cost of doing business across the group
- Deployment of industry standard blueprints and S/4HANA value levers will help to realize benefits worth **\$44.9 – 61.5 Mn/Year**
  - Reduce 'Days in Inventory' will result in expected productivity savings of ~ **\$2.5 –5 Mn/Year**
  - Improved Finance reporting productivity will result in expected productivity savings of ~ **\$0.26 – 0.52 Mn/Year**
  - Reduce 'Indirect Procurement Spends', will result in expected productivity savings of ~ **\$21.9 – 32.7 Mn/Year**
  - Decrease 'Unplanned Maintenance Costs' will result in expected productivity savings of **\$15.8 – 21.1 Mn/Year**

## IT

- Single S/4HANA system replacing 30-40% of IVL's legacy applications will help to optimize future license and maintenance fees worth \$6.4 – 6.6 Mn/ Year (expected)
- Hosting on cloud will reduce total cost of ownership of S/4HANA by eliminating expensive and recurring infrastructure CAPEX by ~ \$4.3 Mn (50% in Year 1 & 6)
- Secure cloud infrastructure platform to run SAP, enabled Software Defined WAN connectivity for IVL sites and Zscaler based remote user connectivity
- High-Availability (HA) and Disaster Recovery (DR) setup for production systems
- Accelerated Digital Adoption through usage of collaboration tools - (MS Teams, JIRA, Confluence, Yammer, SharePoint, Menti, Miro, Kahoot)

## HUMAN EMPOWERMENT

- IVL will gain significant direct business benefits by leveraging industry standard HR process blueprints and automation to improve HR Function Productivity savings by **\$530k – 580k/ Year**
- Employee Central and Self-service implementation will enable global talent visibility and analytics, leading to expected productivity savings of ~ **\$451k**
- Reduction in 'Recruitment and Onboarding' effort will result in expected productivity savings of ~ **\$27k**
- Empowerment of managers by having greater ownership of data and better decision power will immensely reduce 'Compensation Planning & Performance Management' effort, leading to expected productivity savings of ~ **\$50k**



## Project / Use Case Details

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The project has achieved a lot since the implementation phase started in March '2020. The following key milestones that have been successfully completed include:

1. **Global Template Design for S/4HANA:** A comprehensive global design phase was conducted from Mar-Dec '20, in which **150+ SMEs** from global sites in IVL participated in **500+ workshops** to define a state-of-the-art system for IVL that spanned across five key functions – Finance, Procurement, Operations, Supply Chain and Sales. The design workshops were done in an agile manner and covered **2000+ user stories** and executed **290+ test cases**. This phase was completed in record time through an innovative approach of leveraging Accenture's standard ChemDirect system to adopt it across IVL sites. Now the system is ready to be deployed globally and first implementation phase for Americas has been successfully completed.
2. **SuccessFactors Release 1 (Performance & Goal Management and Career Development Planning):** The first release of SuccessFactors was completed successfully for 300+ employees. The implementation went smoothly, and the adoption of the system has been going strong within the end user community.
3. **SuccessFactors Release 2 (LMS):** The second release of SuccessFactors was also completed successfully for 300+ employees. LMS has also been extensively used across SF and S4 for training the end users.
4. **SuccessFactors Release 3 (Compensation & Variable Pay):** The third release of SuccessFactors was also completed for top 300+ employees.
5. **SuccessFactors Release 4A (EC, ROB, Time Off and Benefits):** The fourth release of SuccessFactors was also completed for ~13K employees across Americas and Asia.
6. **S/4HANA Release 1:** The first release of S/4HANA was implemented in three sites for 1000+ employees in 7 different countries across 6 business functions (Finance, Sales, Operations, Supply Chain, Procurement, Master Data Governance) and 2 sub functions (Vistex and GTS).

### Key Complexities Managed:

- All the above was done while battling the Covid-19 challenges e.g., all workshops had to be done virtually and usage of digital tools had to be adopted very quickly by the team.
- Bringing together team members from across the globe to work together on a common vision and deliver their best despite time zone and geographical differences.
- Stakeholder management across sites with diverse levels of SAP maturity i.e., with both sites having existing SAP systems and one's without any ERP.

# Additional Information

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- Press Release: <https://insidesap.asia/sap-and-accenture-lead-indorama-ventures-digital-transformation/>
- Mr. SK Agrawal as one of CIO50 2020: <https://www.idg.com.au/article/684870/cio50-2020-26-50-shekher-agrawal-indorama-ventures-limited/>
- Mr. SK Agrawal as one of the CIO/CDO 2021: <https://www.idc.com/getdoc.jsp?containerId=prAP48295221>
- Mr. SK Agrawal in the HBR White Paper feature: <https://hbr.org/sponsored/2021/10/building-resilience-and-sustainability-in-asia-pacific-supply-chains>