

## CASE 2

# The Process Behind the Process

Evonik Industries AG

How does an organization coordinate 33,000 employees in 100 countries and at the same time continually increase efficiency and effectiveness? »Value- and result-oriented management, as well as a process organization with harmonized best practice business processes«, was the answer at Evonik. All of this is mapped on a standardized IT platform.

by Eva Grieshuber and Michael Kempf

Evonik is one of the world's leading specialty chemicals companies. Profitable growth and sustained value creation springs from the heart of their strategy. Around 80 percent of sales come from leading market positions. Evonik concentrate on high-growth megatrends, especially health, nutrition, resource efficiency and globalization. Important competitive advantages come from their integrated technology platforms, which they are constantly refining. Evonik's strengths include the balanced spectrum of business activities, end-markets and regional presence, and working closely with key customers. Profitable future growth is driven by their market-oriented research and development. Continuous improvement of the cost base is also very important. Against this background, special attention is also drawn to the continually increasing efficiency and effectiveness of Evonik business processes. The program PROVE (Process and Value Excellence) was put into place for this purpose.

## Uniform standards

In order to sustainably achieve the orientation and goals of PROVE, its own program organization, cover-

ing all substantial components, was set up. For example the process organization: for each of Evonik's process model's business processes – such as »Marketing and Sales«, »Supply Chain« or »Finance, Accounting and Taxes FACT« – there are so-called process round tables, made up of process experts from all business divisions and managed by fulltime process officers. There are regular proposals for harmonization, standardization and best practice development made in these circles, which are then examined and – if they represent an improvement – further developed into part of the new best practices. PROVE program director Dr. Bettina Uhlich draws up an interim balance: »It wasn't always easy, as one needs good arguments for change. However it was worth the effort: The new, harmonized and best practice processes are an important component for the future management of our company and for the service we provide to our customers.«

## Versatile team

Now the exciting question is: How do these process changes affect the daily operations in the individual locations and what is necessary for the implementa-

tion? In order to consciously accompany and shape the change through the new standards, processes and IT, »Change Management and Communication (CMC)« is a fixed element of the PROVE organization. The team consists of two Evonik members, one external consultant with SAP- and business process expertise, as well as two ICG advisers with expertise in change management. This structure creates obviously a substantial principle and a success factor of effective change management: simultaneous work on »hard facts« (structures, processes, systems) and »soft facts« (behaviors, working procedures) or, as ICG describes, »outside the skin« and »inside the skin.«

### Bilateral approach

»Hard facts« refers to working on structures and processes. Thus the SAP-based change process (Change Request Management, short ChaRM) forms a common working platform for people involved in PROVE. »Soft facts« refers to expected benefits such as lower complexity, higher effectiveness and efficiency, as well as transparency according to the motto »Becoming better together«. Process-, structural- or training-relevant changes are systematically recorded, evaluated and processed with ChaRM, and the relevant participants are coordinated.

However, change management with PROVE is much more than that: It also means getting onboard all those involved in various communication and dialog formats. Naturally, the circle of those involved goes far beyond the PROVE program organization, as the management, in cooperation with the process experts, is the key to successful conversion within the locations. In this case, change management means support in the perception

and understanding of the new roles. If change projects at Evonik were previously driven by IT, then these are now regarded as part of the management's responsibilities. Division leaders turn into process sponsors, executives are responsible for shaping the organization in such a way that new processes and new IT actually become levers of higher performance. They are responsible for creating a framework for optimal operation. This can lead to changes of the organizational structure, or it may »simply« mean to send the right people to the right training seminars.

All relevant channels – including intranet, an internal social media platform, webex or print formats – are regularly provided with compact handouts or up-to-date contributions. This can be the introduction of people, program goals and content in the beginning, but it is information regarding achieved results and success stories later on. However, change management with PROVE does not only work on the surface, but also internally, directly in the program organization. An element thereby is the coordination and agreement of orientation and priorities with the process officers and with the process leaders of the process round tables. In the multi-location organization this happens through structured offsites with strategic, content-based and team development formats. A further element would be reflection and systematic learning to rapidly apply the results of »lessons learned« in the sense of striving for excellence. Because development and maturity are not only reflected in processes and systems, the program and the program organization also undergo a development process, which requires deliberate planning. Therefore change management and communication are a bit like »oil additives« that keep the PROVE motor running smoothly. ●



Bettina Uhlich

»The new harmonized and best practice processes are an important component for our future management.«