



cbs Success Story

Cloud Business Transformation

Next-Generation Enterprise Solutions:
**Chemicals Company Kemira Implements
Big Bang Cloud Transformation for its
Global Business**

kemira



The Finnish industrial enterprise launches its digital business process platform based on SAP's Intelligent Enterprise Architecture in a record time of just 15 months

Finland-based chemical company Kemira (5,000 employees with annual sales of €3.6 billion with 63 production sites and sales in over 100 countries) has successfully completed its transition to a new digital future platform in the cloud. Not only has the company fully digitized its existing SAP ERP infrastructure and relocated it to the SAP S/4HANA private cloud, but it has also established a complete global process and system landscape based on the SAP Intelligent Enterprise architecture.



Aptly named LEAP, the transformation project represented a quantum leap into the digital future for the company, and involved all business processes, divisions, and legal units of the international Kemira organization. A total of 60 systems were moved to the cloud. The project required the parallel implementation of five closely aligned initiatives: SAP S/4HANA transformation, a redesign of financial accounting, implementation of the SAP DataSphere as an enterprise data warehouse, a digital data excellence initiative, and the complete migration of 360 on-premise interfaces to SAP Integration Suite.

According to Taras Podbereznyj, Kemira CIO responsible for the innovation project: “The new company-wide solution combined with innovations and a solid global foundation for enterprise operations gives us opportunities to use data-driven business models in the cloud, improve our customer relationship and focus on sustainability. Kemira is thus leading the way with a new generation of enterprise solutions and pioneering a full-scale cloudification of SAP business architectures in the industry.”

The initiatives all went live in one big bang, with implementation taking just 15 months; a comprehensive cloud business transformation that was completed in record time and all on the same date.

For Rainer Wittwen, CEO of cbs, “the results are a lesson in rapid value creation. Since the go live, the new digital

enterprise platform has been used to process all sales end to end, company wide and worldwide.”

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Taras Podbereznyj

CIO of Finnish chemicals company Kemira in Helsinki

The smooth system transition was implemented for all units across three time zones over the course of one go-live weekend. Business continuity was the top priority during the cutover. The move to the new cloud architecture was ensured with maximum process continuity. All of Kemira's core business processes continued to run at full throughput during business hours, without the need for a costly ramp-down of business activities prior to the migration or a lengthy ramp-up after go-live. The transformation was completed along the lines of a minimally invasive surgical procedure without disrupting ongoing operations.

A near zero downtime approach was adopted, minimizing the downtime of operational systems, while a selective data transition approach was followed for the technical transformation, using the standard software cbs ET Enterprise Transformer. 400 SAP plants and 58 company codes in 37 countries were migrated; more than four billion data records in total. The transition affected 3,000 system users worldwide.

Global Cloud Platform a Springboard for Further Innovations

SAP is a key strategic asset for Kemira. In 2007, the company implemented the Kemira OneKem platform as its global ERP system, which proved to be a groundbreaking move as the SAP-based system now processes 99,9 percent of the company's revenue and footprint.



Faced with an aging technology platform in a corporate data center and the fact that SAP support for the current application suite (ECC) was due to run out by 2027, a transition to SAP S/4HANA was the only option. It was clear to management that the process and system landscape needed a future upgrade. But how could this situation be turned into a strategic project? How could value be created and the organization be set up to accommodate new digital business models? Another important factor in the decision-making process was availability of consultant resources. Having enjoyed a close and trusting relationship with cbs for the past decade, Kemira discussed a number of possible scenarios with the consultancy cbs in advance of the transition.

As **Taras Podbereznyj**, CIO at Kemira responsible for the innovation project, explains:

“We knew that with rightful timing of the transition, the greater our competitive advantage. We therefore made a conscious decision to forge ahead of our competitors and at the same time create a springboard for further innovations by completing a rapid transformation.”

Kemira opted for the cbs fast value approach to optimize and accelerate its digital transformation. Through global standardization, data harmonization, and process digitization, the existing company platform could thus be upgraded in a short time and in one step without missing out on comprehensive innovations.

Fast Value Transformation Approach Delivers the Right Mix

To find the right balance between transition and transformation for their move from the old on-premise world to the new cloud architecture, Kemira undertook a preliminary study to investigate which processes were already fit for the future and could remain in place and which required a redesign.

CIO Podbereznyj: “cbs’ customized transformation approach helped us find the right mix of innovation and transformation. It would exceed the scope of the project to do everything from scratch. In addition, we had already established a lot of state-of-the-art processes that we wanted to safeguard as best practices for the future.”

The overriding aim of the top management was to position the company for the future.

“Innovation is key. We want to leverage technologies such as artificial intelligence, big data, and new digital business models for our businesses to drive productivity, customer centricity and our employee user experience.”

Taras Podbereznyj
Kemira CIO

The LEAP project had three areas of focus:

- **A business stream** for business continuity, data quality & harmonization, and business impact & change;
- **a technology stream**, incorporating the infrastructure platform, migration of the business platform, and the reporting platform; and finally, a procurement and
- **licensing stream.**

Kemira’s goal was to build a solid foundation for future business releases and enhancements in a modern, cloud-focused system landscape.

This required some preliminary data cleansing work among other things. Another requirement was to abandon legacy organizational structures and legacy customizing for outdated processes and to dispose of old data. The main idea was to start afresh. For example, 400 Kemira plants that were no longer open or had been sold were deleted from the system before the transition to S/4.

The global data cleansing also ensured greater accuracy in material weights. Global packing instructions were implemented in each production plant to enable the actual gross weight of a shipment to be determined from the sales order, significantly optimizing transportation planning. Weights in the material master data were also cleaned up.

NEXT ONE Finance for Agile Group Management

In the area of Finance & Controlling (FI/CO), S/4HANA offers numerous improvements and innovations. With implementation of the new margin analysis functions, the finance department can analyze earnings and market segments with **high level of accuracy** and control these at a granular level. The department now has a multi-stage contribution margin calculation including deviation-oriented controlling at account level. Result characteristics for account assignment objects can be derived in real time for timely reporting.

Transition of the controlling profitability analysis from historical data to margin analysis in a highly complex environment, with different tax-optimized business models worldwide, was a particular challenge. The SAP S/4HANA database tables ACDOCA (Universal Journal) now serve as a central source for the financial report, the profit & loss (P&L) statement, capital expenses (CapEx), and operational expenditures (OpEx), including real-time integration with reporting. Kemira now has a single source of truth containing all the information. This avoids redundancies, eliminates the need for reconciliation, and reduces the amount of storage space required.

The new general ledger was also implemented, as the currency conversion, group valuation, the new asset accounting, and financial supply chain management (FSCM).



SAP Datasphere Pioneer – A New Beacon for Analytics

For Kemira, digital data excellence is a strategic asset for the future. The LEAP project enabled Kemira to radically modernize and harmonize its data management, achieving a new level of innovation and representing an important milestone on its intelligent enterprise journey. Podbereznyj:

“With SAP Datasphere as the central enterprise data warehouse for financial reporting and SAP Analytics Cloud (SAC) as the planning tool, we have reached a new level in data management. We are one of the first companies in the world to use Datasphere as an enterprise data warehouse and are therefore a pioneer in the SAP analytics environment.”

Kemira is thus well on its way to becoming a data-driven company and is in a position to implement new data-driven business models and get ahead of the competition.

With the aid of SAP’s new comprehensive data management solution, Kemira can begin leveraging its data for optimum effect right away. This will enable the company to implement an integrated data architecture that brings together data from numerous source systems, SAP/non-SAP systems and cloud systems, as well as offering a great many new features, such as real-time queries and self-service readiness. In the future, this will enable business users to expand data models, design

their own dashboards in the system, and create individual queries. The project team worked closely with SAP product management to optimize functions and process important aspects such as authorizations, performance, and near real-time data integration. More than 800 Kemira users have access to the new system.

“SAP Analytics Cloud is the front end and SAP Datasphere the back end. They go hand in hand with one another. It is a future-proof, state-of-the-art solution that combines the best of both worlds and is easily extensible and scalable. Kemira thus always automatically benefits from the enhancements and updates delivered by SAP. New functions are imported directly. This means significantly less work for the IT employees, freeing them up to focus on data modeling”, explains Hendrik Sander, project manager at cbs.

Roland Werp, Senior Manager in Business Intelligence at cbs, adds, “Kemira can now map more complex reporting scenarios, such as extensive profitability analyses, on the new platform. Follow-up projects can be completed faster and more agilely, and new business requirements can be implemented more effectively.”

“There’s arguably no other company with billions in revenue worldwide that has yet implemented SAP Datasphere as a single, central enterprise data warehouse. Kemira is the first industrial customer of this size to prove that you can run your entire finance reporting on Datasphere,” continues Werp.

Kemira is directly benefiting from the more accurate, higher quality data sources supplied by the new analytics platform. As **Podbereznyj** explains:

“The accuracy of the forecasts is extremely important to us. For example, the better we can forecast for future raw material prices and the better we can predict market volatility, the better we can react and manage our profitability.”



For example, in the area of workforce and financial planning, Kemira has also established complex, SAC-based planning applications (SAP Analytics Cloud).

An SAP SuccessFactors-based HR reporting and dedicated workforce planning process were also implemented for the first time using SAP Datasphere and Analytics Cloud.

The central MDM (master data management) team took advantage of the transformation to implement a clean-up. For this reason, many old master data records were not transferred over and data records to be migrated were cleaned up by deleting old values. Kemira also implemented the business partner (BP) in ECC, migrated it to S/4HANA, and enriched it for use with new interfaces and processes. Interfaces were customized for the business partner as a new central object for customers, suppliers, employees, etc., so that it could be used in the new hybrid system landscape as a unique object. Example: The SuccessFactors interface with the BP for Kemira employees.



The Most Comprehensive Interface Migration to the Cloud Worldwide

The project also set new standards in integration/middleware. All 363 on-prem interfaces in ERP were migrated from SAP PI (Process Integration) to SAP Integration Suite in the cloud, and were integrated and aligned with all milestones for the SAP S/4HANA transformation project. “This was an extremely complex project. To our knowledge, it was the biggest interface migration to the cloud in the industry to date,” explains Holger Himmelmann, Consulting Director, Enterprise Integration, cbs. The big bang go-live of the migrated interfaces took place on the same day as the S/4HANA go-live, which represented another major challenge.

The team additionally implemented SAP Global Trade Services (GTS) in foreign trade, Settlement Management, and the cbs E-Invoice World Cloud for outbound and inbound solutions in Brazil and Argentina. The cloud solution designed by cbs is a comprehensive package that will enable Kemira to ensure compliance in e-invoicing without additional effort on its part.

A Smooth Transition with Maximum Process Continuity

cbs ET Enterprise Transformer, the standard software for a holistic SAP data transformation, was the engine and success driver for the migration and ensured that the fast value approach was completed with no technical hitches. A customized approach was chosen that offered maximum process continuity. The 400 plants, 58 company codes and more than four billion data records were converted in a single step for all units within a few hours using a minimally invasive, near zero downtime approach. The systems therefore remained operational throughout.

With traditional migration approaches, open orders and deliveries usually have to be canceled and open items reversed, which has a major impact on the business. This can result in a significant drop in productivity in some areas. Downtimes can quickly mean lost sales in the region of several million euros. “That was not an option for Kemira. No global company can afford such a worst-case scenario. Business continuity is a key issue for big corporations,” stresses cbs CEO Rainer Wittwen.

A total of 840 technical cutover steps were planned for the big bang implementation. As CIO Podbereznyj explains: “The cutover plan was extremely detailed and worked out precisely as planned, which helped to make sure that everything ran smoothly for us.”

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Rainer Wittwen
cbs CEO

cbs CEO Rainer Wittwen: “Kemira has made the leap to the cloud and has digitized its entire process world. The company is now ideally positioned for the future. With the implemented platform, the company can take advantage all follow-on SAP developments and remain at the cutting edge of technology. This gives it a clear innovative lead over other companies that may not reach this stage of development for another five years.”

Kemira and cbs: Long-Standing Partnership of Equals

As cbs Managing Director Holger Scheel explains: “We have brought a groundbreaking innovation project to fruition and thereby addressed a fundamental challenge facing modern industrial companies. Global players need to establish standardized, harmonized, and consolidated business process platforms that enable them to flexibly integrate new digital assets and innovative business models. The most important thing is to create a holistic vision, which must then be realized in large, well-defined, swiftly executed development steps. Digital plateaus that combine innovation and transformation and enable rapid value creation are a business enabler and critical success factor for the digital transformation.”

Podbereznyj: “Considering the extreme complexity of the organizational change, data harmonization, and optimization, Finance data transformation, migration of interfaces, and innovations in the cloud, we managed the program extremely well.”

Trusted Partners for More than Ten Years

“We successfully completed the transition to a completely new platform in just 15 months. The fast value approach was the key to success. cbs had the right methods and tools to make sure the ambitious project was successful. Our in-house experts know the Kemira world and the company’s processes inside out, so it was the perfect combination,” continues the Senior Vice President and CIO.

The human factor also played an important role in this lighthouse project. “Kemira and cbs have a long partnership dating back 13 years. The highly qualified professionals involved from both sides understood and communicated with each other well, discussing everything as equals. The value of such close cooperation cannot be overstated,” says Podbereznyj.

Transformation to Future Platform Completed in 15 Months

Podbereznyj continues: “We delivered a world-class project in record time with numerous innovations that were well targeted and implemented. The professionalism and insider knowledge of cbs in S/4, finance, data, and integration played a vital role in this. The consultants’ expertise perfectly complemented Kemira’s knowledge.”

cbs CEO Rainer Wittwen: “Our customer has created real added value for their business in a short time. This project has helped make Kemira a pioneer in cloudification and a trailblazer on its journey to becoming an intelligent enterprise. The company has reached the next digital plateau in finance, analytics, and integration, and has set the next lighthouse in the SAP market. The project serves to demonstrate to the international industry community that strategic innovation projects can be realized within a reasonable time frame.”



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