



**accenture**

*High performance. Delivered.*

Achieving high  
performance in the  
chemical industry

Strategies for a new era

• Consulting • Technology • Outsourcing

# Strategies for a new era

Myriad challenges shape the chemical industry agenda:

## Challenges

### Value growth

**Business volatility** – Oil  
– Economy

**Sustainability** – Controls  
– Environment

**Geopolitical shifts** – China  
– Middle East

## Industry agenda

### Industry consolidation and restructuring

- M&A, private equity
- Business model sharpening up

### New geographies

- Markets
- Feedstock

### Operational excellence – secure current value

- Asset management and supply chain
- Commercial excellence
- Support processes

### Profitable growth – deliver future value

- Price management
- Innovation

### Compliance and sustainability

- Business risk and compliance
- Environmental compliance sustainability

### People agenda

- Talent management
- Performance culture

Chemical company executives navigate through an increasingly complicated world. They have to contend with the changing business landscape created by ongoing consolidation and restructuring. They have to comply with increasing regulation of environment, health and safety activities. And, they have to respond to growing concerns over climate change and sustainability.

Meanwhile, demographic shifts are creating new markets around the world and, at the same time, altering the nature of the industry's workforce. With the aging population in developed countries, more than one-third of the industry's engineers are expected to retire in the next five years, with similar or greater numbers of pipe fitters, boilermakers and other craft workers leaving the workforce as well.

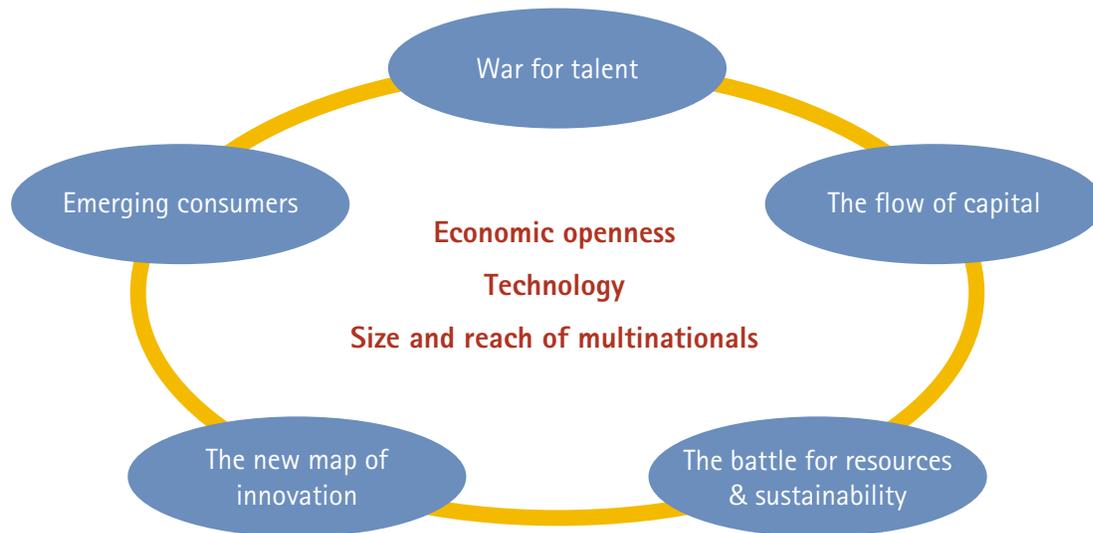
These changes are taking place against a backdrop of continued globalization, which only adds to the complexity. As they extend their geographic reach, companies need to manage longer supply chains, ensure access to feedstock from a variety of regions, and stay close to customers around the world.

Even as companies adjust to these realities, the nature of globalization is itself evolving. The traditional model, in which developed economies essentially led emerging economies forward, is giving way to a multi-polar world, in which powerful competitors and key customers arise from virtually any corner of the globe, and traditional multinationals vie with local firms for resources, customers and talent.

Developing economies are no longer passive recipients of globalization—they are active participants in the shaping and driving of global business. For chemical companies, this multi-polar world presents new challenges and risks—and massive opportunities.

To keep pace, chemical companies have to work on many fronts at once. And they have to balance two fundamental requirements—capturing value from today's opportunities and preparing for the challenges of tomorrow.

# The multi-polar world: growing interdependence



The rise of the multi-polar world is reshaping business in general and the chemical industry in particular. The multi-polar world is characterized by increased economic interdependence across five key dimensions:

- **Capital.** Emerging economies have become both sources of outward foreign direct investment and destinations for portfolio investment.
- **Talent.** Shifting demographics are spurring rapid growth of emerging-market workforces, and leading to shortages of key skills globally.
- **Resources.** Companies are seeing increasingly intense competition for energy, commodities and raw materials—and a growing emphasis on sustainability.
- **Consumers.** Rapid income growth is creating some 1 billion new consumers in emerging markets.
- **Innovation.** New clusters of innovation and specialization are appearing in emerging economies.



# Shaping solutions for an evolving industry

Accenture helps chemical companies achieve high performance in this changing world. We collaborate with leading chemical companies and suppliers to develop and execute global strategies, manage complexity and risk, drive innovation and take an integrated approach to building high-performance businesses that can deliver consistent, sustained business results—today and tomorrow.

In our work with chemical companies, we offer a broad range of skills—from supply chain management to human-performance enhancement and leading-edge technology implementation. We provide clients with a holistic enterprisewide view of critical value-chain and business processes, bring together strategy and execution, and use our proven tools and methods to deliver solid business results. These include our repository of industry-specific, leading-practice processes, which we use to benchmark process performance, redesign processes and accelerate the delivery of technology implementation. Overall, this work is supported by our operations in 49 countries and our Accenture Global

Delivery Network, which provides the consistent delivery and support needed in today's multi-polar world.

We also draw on our deep industry experience, gained through years of helping companies in all segments of the industry. We have developed a proven track record, working with 79 of the largest chemical companies worldwide, including nine of the 10 largest. And we maintain close relationships with industry organizations such as the American Chemistry Council and the European Petrochemical Association.

Perhaps most importantly, we constantly hone and improve our approach to helping clients. We invest in recruiting and developing our people on a global basis, so that clients can have access to the right talent. We constantly evolve our technology skills, concepts and solutions to help clients take full advantage of this key enabler of efficiency and innovation. We work to stay on the leading edge of processes and practices, drawing on our work across industries and our deep process knowledge to drive ongoing improvement. And we bring strategy,

people, processes and technology together to create industrialized approaches to solving business problems. This approach allows us to deliver high-quality, predictable results quickly, while being able to fine-tune each solution to a specific client's needs.

These efforts build on Accenture's extensive and continuing research initiatives. We invest some US\$250 million annually in research and development. In the chemical industry, this has resulted in deep analyses of areas such as outsourcing, the supply chain and new markets, and is reflected in our regular participation in industry publications and thought leadership forums. More broadly, our ongoing High Performance Business research, which to date has examined more than 6,000 companies worldwide, provides insights into the characteristics and practices that make some organizations consistently outperform their peers. These research-based insights enhance and inform our work with clients, and are used to create new approaches to solving business problems and driving high performance.







# Addressing the chemical industry's business challenges

Accenture provides a range of proven services targeted to help chemical companies achieve high performance.

## **Management consulting**

We help companies identify and implement improvements across the enterprise, from the supply chain to R&D, manufacturing, sales and marketing, finance and HR. And we help them succeed with critical initiatives such as strategy development, performance management, mergers and acquisitions, and workforce transformation.

## **Systems integration and technology**

We provide a full range of IT services—including consulting, system integration and implementation, data integration and design, build, run services—helping companies to understand and use evolving technology to increase efficiency and competitiveness and support innovation.

## **Outsourcing**

Our application outsourcing services enable clients to control costs while keeping up with evolving technologies, while our infrastructure outsourcing services help create low-cost, high-value solutions for the enterprise. With our business process outsourcing offerings, we take on processes such as supply chain management, human resources, procurement, learning, and maintenance, repair and operations management—ultimately driving optimal performance at lower cost.

## **Accenture advanced enterprise solution for chemicals**

Our solution links industry-specific, leading-practice processes to a preconfigured enterprise resource planning solution built on the latest SAP technology. It is packaged with complete process documentation and industrialized implementation accelerators—all of which help shorten time-to-value, reduce risk and ensure quality and cost-effectiveness.

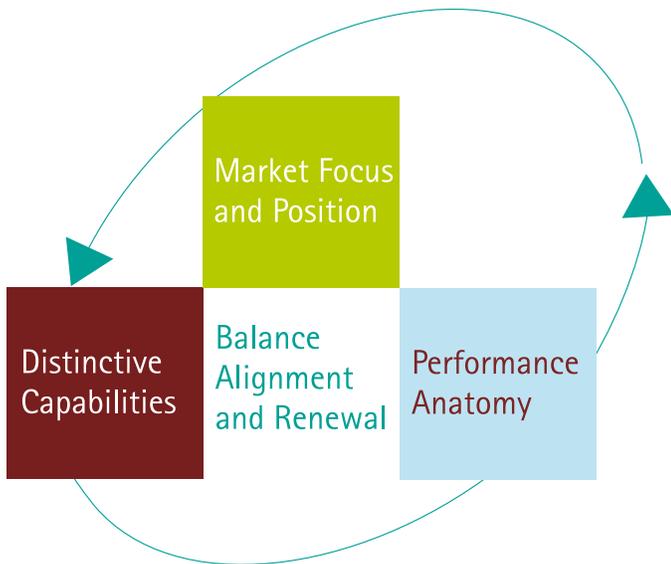
## **Accenture plant and asset solutions**

We help companies drive operational excellence by formulating and executing strategies for key areas such as industrial IT and automation; manufacturing execution systems; maintenance; and program management for large capital projects.

## **REACH compliance**

We help companies implement the technology, testing, data management, operational processes and substance portfolio management capabilities needed to achieve and maintain compliance with Europe's REACH (Registration, Evaluation, Authorization and restriction of Chemicals) legislation.

# Accenture's high performance business research



Accenture's ongoing High Performance Business research program analyzes the performance and underlying enablers of performance in companies around the globe. We define high-performance businesses as those that effectively balance current needs and future opportunities; consistently outperform their peers in revenue growth, profitability and total return to shareholders; and sustain their superiority across time, business cycles, industry disruptions and changes in leadership.

In the chemical industry, there is no "one size fits all." Different business models are needed to respond to the specific challenges and opportunities that shape the different industry and market segments. But regardless of the specific business model used, chemical companies can draw on three basic building blocks of high performance identified in our research:

- **Market focus and position ("better decisions")**—determining where and how to compete to achieve profitable growth. Chemical industry factors include active portfolio management, the targeting of growth rates and a clearly articulated strategy.
- **Distinctive capabilities ("better practices")**—the factors that enable the company to create and sustain meaningful differentiation. These factors include industrializing business intelligence and decision making, customer insight to innovation, margin management and operational excellence.
- **Performance anatomy ("better mindsets")**—the culture and organizational mindset that consistently enables the business to out-execute the competition, including balanced performance and focus metrics, talent management and multiplication and using information technology as a strategic asset.

High-performance businesses continuously balance, align and renew these building blocks to compete and outperform their peers.

To find out more about  
how Accenture can help  
your organization achieve  
high performance, visit  
[www.accenture.com/chemicals](http://www.accenture.com/chemicals)





## About Accenture

Accenture is a global management consulting, technology services and outsourcing company. Combining unparalleled experience, comprehensive capabilities across all industries and business functions, and extensive research on the world's most successful companies, Accenture collaborates with clients to help them become high-performance businesses and governments. With 180,000 people in 49 countries, the company generated net revenues of US\$19.70 billion for the fiscal year ended Aug. 31, 2007. Its home page is [www.accenture.com](http://www.accenture.com).

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