

Solvay's formula for growth

The chemistry behind cost
transformation





Call for change

Catalyzing innovation fueled from within

When you're a world leader in materials, chemicals and solutions, it seems like you can find the right formula for just about anything. Solvay, an €11 billion company that makes everything from antioxidants to flavors to phenols, has more than 150 years of experience solving complex problems. But as the company began looking ahead, Solvay knew that innovation doesn't occur in a vacuum—it needs the right conditions. Specifically, Solvay decided to challenge its resources allocation and evaluate its overall purpose by launching an enterprise-wide cost transformation to serve as a catalyst to fuel sustainability and profitability.

Solvay had an ambitious growth strategy for 2020—which, like many companies, it had to rapidly adapt to meet COVID-related cost pressures. By the end of the year, however, the company had successfully completed a spend-reduction program and believed there was room for an even greater impact. What Solvay needed to realize this, was new ways of thinking and working to ensure it was setting itself up for long-term success—not making tactical cuts that could invite strategic challenges later. In other words, Solvay needed systems and processes that would create the foundation for efficiencies and growth; a culture transformation; and the instillation of capabilities that sustain savings and optimize costs on an ongoing basis—three essential elements of an end-to-end cost transformation.

Compounding the difficulty of achieving all this, however, were two additional factors. First, Solvay had a deeply ingrained sense of entrepreneurialism across its more than 23,000 employees—preserving it was an essential requirement of an enterprise-wide transformation. Second, Solvay needed to factor in sustainability. As a global leader in solving problems with science, Solvay had previously launched a strategy called Solvay One Planet, with the idea that innovation and growth shouldn't come at the planet's expense. The program serves as a roadmap with key sustainability targets to achieve by 2030, and any new capabilities focused on future growth needed to support these targets.

In Accenture, Solvay sought a partner that could copilot the end-to-end cost transformation while simultaneously supporting the company's entrepreneurial culture and sustainability ambitions. Most importantly, Solvay had to find efficiencies in the here and now as well as set itself up for long-term success. Just like a chemical reaction, the transformation needed the perfect balance.

When tech meets human ingenuity

Synthesizing savings and culture

To deploy an end-to-end cost transformation successfully in a short timeframe, Accenture simultaneously brought strategy, industry, technology, and organizational transformation expertise to bear, organizing with the Solvay team around the shared-success mindset necessary for a long-lasting solution.

The team unified around a North Star strategy called Fuel for Growth (F2G). F2G built on the successes of Solvay's initial cost-reduction exercise—but more than a budgeting technique, the idea was to create healthy co-ownership of costs and growth investments over the long term, so everyone would have a shared sense of responsibility. This required huge focus on change management to seamlessly align talent across the organization.

To encourage this kind of co-ownership, the Solvay-Accenture team used a data-driven approach to identify sustainable savings across all the company's business units and corporate functions. In part, that meant the application of

zero-based principles in everyday decisions and differentiating between “good” and “bad” costs—automation and innovative technology, for example, versus maintenance on legacy systems. Solvay was now on the path to reinventing the way it prioritizes spending to fuel growth.

To enable and accelerate Solvay's functional transformation, the team leveraged the power of the [Anaplan Connected Planning Platform](#) that transforms how companies see, plan and run their businesses. The end-to-end budgeting and governance platform connected Solvay's financial models with its enterprise-wide transformation strategy. Anaplan is agile, automated and can integrate into the organization, encouraging transparency and action by making financial information accessible to everyone, including non-finance users. Insights gained from continuous, real-time decision making helped to unlock business value and accelerate Solvay's cost transformation. Cost transformation, however,

is also a culture transformation. For a new savings-driven strategy to stick, people across Solvay's independent business units needed to buy in. With strong support from the CEO's office, the engagement team increased acceptance and participation through several measures. Budget owners were trained on new processes, tools and communication, and change champions were tapped to contribute to Anaplan and process design.

The team also held Value-Add Days, virtual workshops in which more than 400 employees from across functions gathered to collaborate and find optimization initiatives. These efforts hardwired new ways of working and a transformation mindset into company culture. The team also coached leaders on project communication, supported package teams with hands-on training as new capabilities were rolled out, and digitally monitored progress to track success and target interventions.

A valuable difference

After 12 months, Solvay had the three aspects of end-to-end cost transformation fully in place:

- ▶ new systems and processes for identifying savings and optimizing costs,
- ▶ a new culture focused on savings to fuel growth, and
- ▶ the resilience needed to adapt and sustain those savings over the long term.

From cuts to smart savings

With data and people at the center of financial decisioning, budgets will work more efficiently and sustainably across all business units and functions without sacrificing or limiting the company's entrepreneurial spirit. Moving forward, the new level of visibility enables Solvay to examine spend like never before, to drive unified value conversations across entities and to make more informed, growth-driven decisions.

Fuel for Growth was described by Solvay as "a revolution" and a transformation achieved "in an extremely abbreviated time." What's more, it was entirely virtual, demonstrating that virtual collaboration across geographies, business units and organizations does not have to compromise outcomes. Most importantly, Solvay is projected to realize more than €240 million in responsible savings over the next three years.

There were additional benefits, beyond Solvay's bottom line. The team incorporated spend-to-emissions analytics, a method that derives the impact of spend across the value chain. Following the Value-Add Days, for example, Accenture empowered Solvay to identify value chain impacts including emission reductions, reduced water consumption and biodiversity impacts. This method unlocks further savings and enables Solvay to measure how those savings affect the environment and make responsible decisions—which works in lockstep with Solvay's One Planet Sustainability ambitions.

With new systems and ways of working fully integrated across Solvay and powered by fully engaged people, Solvay has the reagents it needs to produce an especially desirable reaction: growth.



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In partnership with Accenture, Solvay's cost transformation has been instrumental to unleash resources that enabled us to fuel our sustainable growth agenda for the upcoming years. The process was marked by collective intelligence, an owner's mindset and culture, radical transparency and digitally enabled ways of working.”

Jean-Marc Le Gac,
Group Transformation Program Director

