



High performance. Delivered.

Dow Chemical: Next Enterprise Architecture

Client background

The Dow Chemical Company combines the power of science and technology to passionately innovate what is essential to human progress. The company connects chemistry and innovation with the principles of sustainability to help address many of the world's most challenging problems such as the need for clean water, renewable energy generation and conservation, and increasing agricultural productivity. Dow's diversified industry-leading portfolio of specialty chemical, advanced materials, agrosiences and plastics businesses delivers a broad range of technology-based products and solutions to customers in approximately 160 countries and in high growth sectors such as electronics, water, energy, coatings and agriculture. In 2012, Dow had annual sales of approximately US\$57 billion and employed approximately 54,000 people worldwide. The company's more than 5,000 products are manufactured at 188 sites in 36 countries across the globe.

Accenture has been a valued partner of The Dow Chemical Company since entering an innovative co-sourcing agreement for a broad range of IT services in 1996. Since then, Accenture has been an integral part of helping Dow's Project and Support Center enable Dow's business strategy delivering over 300 projects per year supporting Dow's global business via a truly global team representing North America, Europe, India, China, Brazil and the Kingdom Of Saudi Arabia.

Business challenge

Dow embarked on a journey to transform their basic weighted business into a specialty chemicals and solution business as evidenced by the purchase of chemical producer Rohm and Haas in 2009. Dow also wanted to execute various joint ventures, acquisitions and divestitures in order to gain access to low cost feedstocks, shed businesses no longer aligned with their new strategy, and drive the acquisition and internal development of new business models. To enable this business activity, they needed

a new, adaptable work process and system, one that could scale, flex and change in sync with different business agreements.

Supported by Accenture, Dow had remained on SAP R/2, an older platform of SAP, harvesting value. As Dow wanted to move to a newer ERP solution that could provide a platform for transformation, M&A, divestiture and joint venture work, and a more adaptable go-to-market business model required by the new products they planned to sell—the company began to look for a new solution to meet their needs.

Accenture and Dow enjoyed a 15+ year relationship which included managing Dow's existing business systems through a number of material business changes. Owing to Accenture's knowledge of Dow's work processes and the capability of Accenture to deliver large, complex transformation programs, Dow decided to make Accenture the preferred integrator for replacing Dow's current enterprise architecture as well as the partner to support the new ERP and Reporting systems.

How Accenture helped

In 2009, Dow launched the Next Enterprise Architecture (NEA) program to replace most of their current business systems globally with a single instance of SAP ECC/BS7. The scope of the effort touches practically all the modules SAP offers plus additional niche software to support specific business needs.

The new SAP solution is being implemented in a series of key milestones. During the first milestone, Accenture and Dow worked to transition all Rohm and Haas businesses globally to the new SAP platform. Dow tapped into Accenture's program/project management capabilities, delivery methods and SAP expertise globally. Working closely together, the Dow/Accenture team drove a joint effort in building the solution, conducting tests, designing and implementing the work process and human change approach supported by the new system.

High performance delivered

The NEA program's first milestone was a significant undertaking moving over US\$9 billion of revenue across multiple businesses and functions around the world to the new architecture. The Dow/Accenture project team went live on time converting over a well-planned weekend—a remarkable achievement for a program of this complexity. Latin America (milestone two) and Asia-Pacific (milestone three) have also been successfully completed, leveraging the lessons and efficiencies gained along the way. Milestones four and five, which encompass Europe and North America, are forthcoming.

In parallel to the NEA program, Dow entered into a major joint venture with Saudi Aramco to develop a new chemical company in Saudi Arabia called Sadara. Dow again asked Accenture to team with them and we are now jointly executing the Sadara greenfield chemical company systems integration effort alongside the NEA program. Together, NEA and Sadara account for a significant part of Dow's current strategic IT initiatives.

In addition, the support of the NEA platform was transitioned to Accenture's Managed Service (AMS) support organization within 30 days of go-live and the service was able to achieve "green" performance in all "Critical" and "High" priority support metrics within three months of startup allowing project resources to focus on the next milestone rather than support. The service operates using an innovative results-based commercial model driven by how many support tickets AMS is able to close further driving productivity and alignment with the business agenda. Given the consistent performance of AMS for over a year, security services ranging from role definition, update, and troubleshooting access issues have been added to AMS's scope.

Dow's strategic relationship with Accenture is positioning Dow to capture value in excess of US\$500 million annually in cost savings, operational efficiencies and speed to value in acquisition integration, JV enablement and innovation delivery. This is being driven mainly by the global Next Enterprise Architecture program and the broader joint solution delivery capability, which has enabled key initiatives such as the successful Rohm and Haas acquisition, the Sadara greenfield joint venture currently underway, and others. As these solutions and capabilities are implemented, Dow expects cost savings and value creation in excess of US\$2.5 billion to be enabled over a five year period.

Primary client contact

To respect our client's time, please coordinate reference scheduling through Accenture's Dow Chemical global Client Account Lead—Dave Abood.



About Accenture

Accenture is a global management consulting, technology services and outsourcing company, with approximately 323,000 people serving clients in more than 120 countries. 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. The company generated net revenues of US\$30.0 billion for the fiscal year ended Aug. 31, 2014. Its home page is www.accenture.com.