



COVESTRO LEVERAGES ADMnext SOLUTIONS AS PART OF A HIGHLY-COMPLEX VENDOR CONSOLIDATION PROGRAM

Covestro engaged Capgemini to manage more than 50 critical applications for heightened operational excellence and increased cost efficiency

Covestro is a world-leading supplier of high-tech polymer materials that is headquartered in Leverkusen, Germany. The company manufactures, markets, and distributes polyurethanes, polycarbonates, coatings, adhesives, insulating materials and sealants. Covestro Group comprises 49 companies in 24 countries and employs nearly 19,000 people – and its 2021 annual revenue was approximately €15.9 billion.

Throughout the past few years, the Application Management Services (AMS) for most of Covestro's strategic application landscape, which includes more than 50 applications, was provided by 17 different vendors spread across six regions and included large multinationals as well as German and Indian players. Covestro was looking to greatly reduce operational costs and streamline its application landscape under one trusted partner to ensure the smooth management of its applications and business. To make this happen and deliver on its strategic operational excellence targets, Covestro engaged Capgemini to initiate the transition of its vendor consolidation program during the peak of the pandemic months in 2020.

Client: Covestro Deutschland AG

Region: Germany

Industry: Chemicals

Client Challenges:

This global chemical giant was looking to consolidate its application landscape, which was managed by different providers and from different geographies, under one trusted partner.

Solution:

Covestro engaged Capgemini to employ a collaborative and iterative approach for consolidating applications and migrating them to the cloud, all while mitigating risks and minimizing any potential negative impacts on its business.

Benefits:

- Achieved over 2,400 enhancements and resolved approximately 30,000 tickets within the first 18 months
- Substantial IT service cost savings
- A business-user rating consistently higher than 4.6 of 5
- Flexible upscaling and downscaling of capacity
- Reduced effort, improved operational efficiency, and heightened cost savings
- A completely transparent view of business and operational performance

Over a period of seven months, Covestro and Capgemini undertook a highly complex transition and followed it up with L2/L3 support as well as the implementation of enhancements and application operations for SAP and non-SAP applications. The project team was ready from day one and quickly responded to challenges by employing a One Team approach and a strong governance framework, which was put in place early on to accommodate changes and resolve project risks swiftly. By utilizing more efficient ways of working, the team was able to close SLA gaps and ready itself to take on more applications than previously agreed upon.

A multi-wave transition approach

To streamline these processes, Covestro and Capgemini used a multi-wave transition approach, which was deployed across more than 100 transitions every year around the world. In the knowledge transfer phase, the project team studied existing supplier SAP and non-SAP applications to create fresh technical documentation based on the source code. The team used tools and frameworks to automatically review code and speed up the process. This transition framework included key pillars for governance, service level agreements, due diligence, scope assessment, and staffing and ramp-up plans that helped them stay on track.



Capgemini shows high accountability for all upcoming topics in the framework of the engagement – well appreciated.”

Andreas Henjes

Head of Application Management,
Covestro

After completing a robust knowledge transfer, Covestro and Capgemini fixed the engagement loopholes. A successful One Team approach helped transition production support and perform application productivity and functionality enhancements smoothly. By quickly analyzing, learning, and documenting the applications, the project team was able to effectively handle the transition and engagements.



Streamlining processes to reduce effort and costs through ADMnext

Within the first year of the project, Capgemini deployed as many as 310 SMEs who brought in-depth experience as well as fresh perspective to the project. This expertise, the robust governance mechanism, and the multi-geography delivery worked to Covestro's advantage. The transition highlights include:

- Achieved over 2,400 enhancements and resolved approximately 30,000 tickets within the first 18 months
- Substantial IT service cost savings thanks to a strong offshore ratio of 90%
- A business-user rating consistently higher than 4.6 of 5
- Flexible upscaling and downscaling of capacity related to actual demands
- Zero breaches in SLAs
- Reduced effort and improved operational efficiency thanks to the reporting and management of 50 applications being brought into one structured procedure
- Heightened cost savings through the automation of ticket creation and handling
- Provided a completely transparent view of business and operational performance through the development of a Business Command Center to monitor business and operational KPIs
- Set the groundwork for moving consolidated applications from on-premises to cloud.



Transition management and engagement management, including contract and finance, are professional and efficient. We were able to lay the foundation for a trustful collaboration."

Joachim Wüsthoff

Transition Manager, Covestro

Molding a future of continuous improvement together

Capgemini successfully supported and concluded the cloud migration of Covestro's applications. The partners are now charting the future together. The team's next steps are to build on the business benefits achieved through the migration and continuously improve services with automation and monitoring. Covestro and Capgemini will continue to generate cost savings and improve quality, flexibility, and speed.



My perception is always that Capgemini steps into the full responsibility and takes care – much appreciated."

Joachim Wüsthoff

Transition Manager, Covestro

About Capgemini

Capgemini is a global leader in partnering with companies to transform and manage their business by harnessing the power of technology. The Group is guided everyday by its purpose of unleashing human energy through technology for an inclusive and sustainable future. It is a responsible and diverse organization of over 360,000 team members in more than 50 countries. With its strong 55-year heritage and deep industry expertise, Capgemini is trusted by its clients to address the entire breadth of their business needs, from strategy and design to operations, fueled by the fast evolving and innovative world of cloud, data, AI, connectivity, software, digital engineering and platforms. The Group reported in 2022 global revenues of €22 billion.

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