CHALLENGE:

- Lacked consistent cost control tools and reports across projects and regions
- Cost, change management, and schedule integration was not guaranteed
- Dependency on spreadsheets

SOLUTION:

- Integrated cost and schedule
- Centralized change management
- Schedule integration capabilities
- SAP integration capabilities

RESULTS:

- Structured & Integrated Approach
- 90% Time Saved
- Efficient Reporting
- Reduced Manual Data Collection & Validation
- Increased Reliability
- Real-time Portfolio Data

"We use PRISM to monitor, track and forecast cost, progress, changes during all project phases. We update actual costs, progress and schedule data on a monthly basis and produce forecast for current phase along with project reports."

- Sandip Dhanani, Lead Controller at Covestro

COVESTRO AND DIGITAL TRANSFORMATION

Covestro AG is one of the world's largest high-tech polymer material suppliers, producing specialty chemicals for a broad range of applications including heat insulation foams and transparent polycarbonate plastics. Covestro AG has made the company-wide decision to prioritize and execute a digital transformation. To advance digitalization in the production environment, in 2017 the company established the OSI2020 program. The abbreviation stands for Optimized System Integration 2020. The program aimed at a better integration of existing systems and data structures to enable more efficient planning, operation and maintenance of plants.

"Digitization and the Internet of Things currently are growth drivers in the chemical industry, and we are actively exploiting their advantages and shaping their development," Dr. Markus Steilemann, Chief Executive Officer & Chairman of the Board of Management of Covestro, said in a 2017 press release regarding the plans for Covestro's digital transformation. "Through digital tools and methods, we want to push boundaries in the chemical industry and, above all, make our customers even more successful in their businesses."

Covestro is furthering their rank as an industry leader by pushing digitalization as a key element of the official corporate strategy and acquiring firm support and backing from their board.

"Today, digital solutions contribute significantly in making life easier and simplifying work," Dr. Klaus Schäfer, Chief Technology Officer of Covestro, said in a 2018 press release discussing Covestro's digitalization initiatives. "They have become standard in everyday life. Digitalization has a huge impact on the chemical industry, too. With new digital applications, we at Covestro want to make production processes even more efficient and sustainable."

Through this digital transformation, Covestro has several goals for its global production network:

- Data driven decision making.
- Bring industrial operations to the next level of digitalization through data use improvement, the reduction of manual interfaces, system integration and company-wide harmonization.
- Strengthen the networking of their tools and create an integrated platform.
- Make the construction, operation and maintenance of global production facilities more efficient, safe and transparent through data integration.

CHALLENGES

Covestro manages a comprehensive portfolio of capital investment projects of varying size and complexity across the globe. Prior to implementing ARES PRISM, there was no uniform cost control process or alignment between regions or projects. Each region used its own tools, cost structures, and methodologies to manage project cost, change, and forecasts. In some cases, even projects within the same region used incompatible practices. As such, it was difficult to produce a combined report that would provide a portfolio summary for all of Covestro's regions.

> "Before the introduction of ARES PRISM, we didn't have a company-wide standardized project control system."

Projects that were managed in the United States and Asia Pacific were typically using MS Excel spreadsheets, while Europe had a separate cost control system.

"Before the introduction of ARES PRISM, we didn't have a company-wide standardized project control system," Sandip Dhanani, a Lead Controller at Covestro, said. "Typically, we used customized solutions which were time-consuming and prone to human error."

Ultimately, Covestro required a centralized single source of truth to standardize project control practices across its project portfolio, increase consistency of its reporting, and further increase forecast accuracy. Covestro needed a solution that would provide consistency in project controls practices, reporting, and processes among its projects and regions.

SELECTION & IMPLEMENTATION OF ARES PRISM

Covestro selected ARES PRISM as their enterprise project controls software. This tool would help them deliver integrated cost and schedule, centralized change management, and efficient project reporting.

ARES PRISM software is reputable for having industry-leading implementations. Covestro's large global rollout experienced a quick deployment in phases. Covestro started with the design and discovery process. During that time, they evaluated capabilities of ARES PRISM in detail and developed enterprise and project-level standards within the software tool for all projects to use. Afterwards, they progressed to the pilot phase in the United States where they tested the system and ran reports.

"Implementation for one of our major projects did not take long-- about 2-3 months," Dhanani said. "This software is easy to learn with training."

Soon after the US implementation phase ended, the Asia Pacific implementation phase began, followed by the European implementation phase. ARES PRISM is now used on approximately 60 of Covestro's projects and the number continues to grow.

DIGITAL TRANSFORMATION WITH ARES PRISM

Covestro's digital transformation program OSI2020 includes several separate digital transformation projects, one of which was the Integrated Controlling Landscape (ICL) project. The goal of the ICL project was to find a solution that reduced complexity by integrating functionalities that were currently performed in separate tools. Covestro aimed to have an automated interface with existing company systems including SAP, Primavera P6 and Cleopatra. "We use ARES PRISM to monitor, track and forecast cost, progress, and changes during all phases of our projects," Dhanani said. "We update actual costs, progress and schedule data on a monthly basis and produce a forecast for the current phase along with project reports."

ARES PRISM & PROJECT RESULTS

Covestro has already started to see business results with ARES PRISM, including:

- *Structure & Integrated Approach:* Covestro processes are now more consistent and reliable. "We transitioned from uncoordinated, redundant and manually intensive processes; to a structured and integrated approach where the data organization and reporting are streamlined. This helps us to focus on effective management of projects," explained Dhanani.

- *90% Time Saved:* Covestro has saved time on data collection and validation. "Time to perform these tasks has reduced by almost 90% by using ARES PRISM," Dhanani said. "This has helped me spend more time on in-depth analysis of current project performance, providing controlling measures to ensure that the project performs as planned."

- *Quick Reports:* Covestro can now produce standard reports for all projects across their portfolio. "Standard PRISM reports can be produced very quickly with few clicks and this has helped me focus more time."

- *Reduced Manual Data Collection:* With the implementation of ARES PRISM, Covestro has

reduced the amount of time and effort required for manual data collection and validation from SAP.

- *Filter and Sort Data:* Since ARES PRISM brings all data together in one centralized location and allows users to easily filter and sort data, Covestro now has the "ability to show cost, progress and schedule data on one screen," Dhanani said.

> *"We transitioned from uncoordinated, redundant and manually intensive processes; to a structured and integrated approach where the data organization and reporting are streamlined."*

GLOBAL BENEFITS

With the implementation of ARES PRISM, projects in China, Thailand, United States, Germany, Belgium, Spain and other countries are required to use the same system for cost control using the pre-built configurations and, as such, achieve consistency with one other.

With ARES PRISM, Covestro now has integrated strategic project controls so that it can:

- Produce a portfolio summary report of all of the regions.

- Deliver standardized and consistent cost management methodologies, reporting and practices across all teams.

- Create a collaborative environment with a centralized data entry source.

- Maximize resource efficiency by eliminating double entries across multiple systems or spreadsheets, and also reduce the use and reliance on spreadsheets altogether.

- Ensure compilation and production of reports in a timely and accurate manner.

- Apply governance and control to budget tracking, forecasts, change management, and contingency control.

By using ARES PRISM as the solution for their Integrated Controlling Landscape project (part of OSI2020), Covestro is effectively achieving OSI2020's overarching goals:

- Increasing reliability by decreasing manual entry mistakes and improving data quality.

- Reducing report production costs and avoiding double data and reporting.

- Being innovative and strategic by utilizing real-time data to make predictions and having progress transparency.

ABOUT COVESTRO:

With 2019 sales of EUR 12.4 billion, Covestro is among the world's largest polymer companies. Business activities are focused on the manufacture of high-tech polymer materials and the development of innovative solutions for products used in many areas of daily life. The main segments served are the automotive, construction, wood processing and furniture, and electrical and electronics industries. Other sectors include sports and leisure, cosmetics, health and the chemical industry itself. Covestro has 30 production sites worldwide and employs approximately 17,200 people (calculated as full-time equivalents) at the end of 2019. www.covestro.com

ABOUT ARES PRISM:

ARES PRISM is award-winning enterprise project controls software that manages the complete project lifecycle delivering dependable forecasts, cost control, and performance measurement. ARES PRISM project management software is a scalable, robust and intuitive system that harnesses industry best practices and integrates all aspects of the project, including cost and schedule, change management, project estimating, earned value, contracts & procurement, and field progressing. www.aresprism.com