

Process Mining for Value Extraction

About AkzoNobel

AkzoNobel is the largest global paint and coatings company and a major producer of specialty chemicals. Headquartered in Amsterdam, the Netherlands, and with operations in more than 80 countries, their 55,000 people around the world supply industries and consumers worldwide with innovative products and are passionate about developing sustainable answers for their customers. The Process Mining project took place at the AkzoNobel Decorative Paints division. Their portfolio includes well-known brands such as Dulux and Sikkens.

The Challenge

AkzoNobel Decorative Paints (ANDP) has globally implemented SAP. Also their Procure-to-Pay processes are standardized in SAP. Over the years, countries have adopted their local ways of working within the standardized processes to reflect the local best practices. To improve the efficiency and compliancy & control of the organization, a 'Value Extraction' program has been initiated.

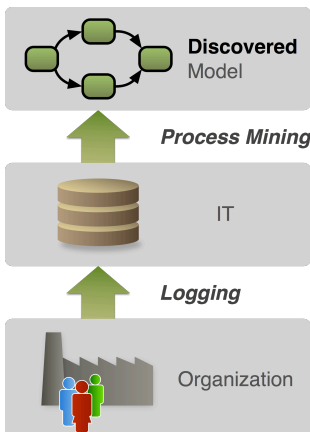


The reasons for ANDP to seek a detailed understanding of the different local Procure-to-Pay processes were twofold:

1. Are there *deviations from the globally advised process* that are not desirable from a compliance & control standpoint?
2. Are there *opportunities to learn from the local best practices* in order to adopt a corporate best practice that harmonizes the processes where possible (efficiency standpoint)?

The Approach

Capgemini is a global leader in consulting, technology, outsourcing, and local professional services. As a trusted partner of ANDP, Capgemini set out to help the Procure-to-Pay managers to get a detailed understanding of the Procure-to-Pay processes in 16 different countries.



Their domain expertise and professional excellence was supplemented by the application of a new technology called **Process Mining** that made it possible to quickly and objectively get a detailed picture of the local processes at hand.

The advantage of process mining is that visualizations of the actual processes can be automatically generated based on existing IT data. As a consequence even 16 local processes could be analyzed in a very short time frame without the need to hold local workshops and process mapping sessions in all these countries. Furthermore, the generated process models are accurate and complete (all variations) because they are directly derived from the data records in the operational SAP system.

For the process mining analysis, Capgemini used Fluxicon's process mining software DISCO.

Process Mining for Value Extraction

The following steps were taken to perform the analysis:

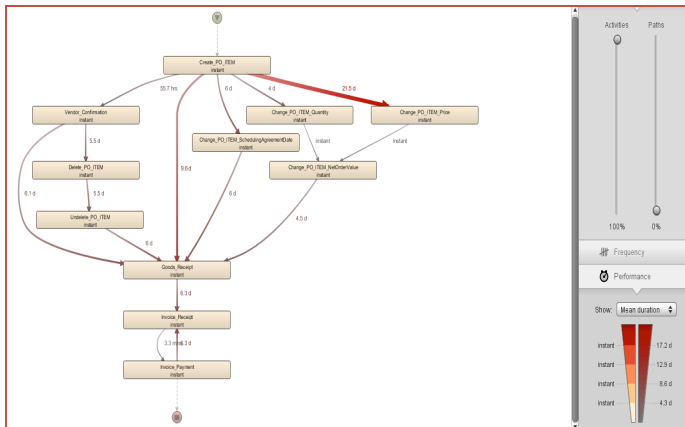
1. The logging information was extracted from ANDP’s SAP systems to be able to analyze the actual events that make up the process (such as ‘Create purchase order’ or ‘Approve invoice’) for up to 10,000 purchase order lines per country.
2. Using Fluxicon’s process mining software Disco, these events were then analyzed by Capgemini and visualizations of the actual process flows were automatically derived to understand the local processes (see screenshot below). Furthermore, the generated process flows were compared with the expected flow to find exceptions from the norm (compliance).
3. These analyses were performed for 16 different countries and the processes and resulting exceptions were investigated to understand the root causes and best practices behind the local deviations.

The Benefits

The analysis revealed what is really happening in the different local Procure-to-Pay processes. The process manager could inspect and compare the actual process flows to get actionable insights on how to improve the process:

“The biggest benefit of process mining is the great insight that you obtain for process improvement.”

- Elise Carre, Procurement Excellence Manager - Deco EMEA at AkzoNobel



Specifically, the following results were achieved:

- Management obtained insights into exceptions where the ‘First time right’ principle was not realized.
- Peer comparisons between countries helped to identify best practices that can be adopted on the corporate level.
- The direct insights in process improvements enabled the desired ‘value extraction’ from the P2P processes.
- Compliance control was realized to execute on corporate guidelines that must be followed.

A big advantage was also the simplicity and speed with which the processes could be extracted from the data.

“I was truly impressed with the flexibility and ease of use of the process mining software from Fluxicon.”

- Martijn Arkesteijn, Information PMO Manager EMEA at Akzo Nobel Decorative Coatings

Process Mining: Discovery • Conformance and Risk management • Performance analysis • Process improvement