



Milestone Case Study

Innovative supply chain with sustainability effect at Bayer Crop Science

**Milestone Consult realizes high customer value and
efficient supply chain management
with digital collaboration platform SCIP**

- The environment also benefits! -

Through SCIP (Supply Chain Integrated Planning), a digitally driven service implemented by Milestone Consult, the Crop Science division of Bayer ensures frictionless collaboration with channel partners enabling high-quality, proactive market forecasts that yield greater flexibility, transparency, and sustainability.



Who is Bayer?

Bayer is a German multinational life science company headquartered in Leverkusen, Germany, specializing in biotechnology, chemicals and pharmaceuticals. The Group is divided into Pharmaceuticals, Consumer Health, Crop Science and Animal Health.

The Crop Science division is one of the world's leading agricultural companies and is active in the fields of seeds, crop protection and pest control. The aim is to support farmers with innovative and environmentally friendly solutions and to expand the range of products on offer to consumers.



Why was SCIP developed?

Leading up to January 2014, the US Agricultural market witnessed a long period of stagnation in terms of supply chain innovation. Collaboration among channel members was essentially non-existent, ERP development was fragmented at best, inventory visibility was a black box and so on. Leadership throughout the industry had primary focus on more pressing challenges of the times which included topics such as product discovery and innovation, NGO (non-governmental organisation) and societal pressures, consolidation and partnering and the increasing challenges of the global regulatory environment. As a result of this historical lack of supply chain focus, channel partners and basic manufacturers broadly suffered from poor forecasting, frequent stock-outs, geographically mis-positioned product, high season-ending inventory throughout the channel, sub-optimal logistics costs and under-utilized supply chain assets.



Against this backdrop that Bayer's US Supply Chain leadership recognized a significant opportunity to generate channel value through a novel and innovative approach to customer-integrated supply chain management. At that time with the depressed Agricultural market and the tremendous revenue loss throughout the channel there was no better time to innovate, integrate and differentiate.

So, in 2014, the initial SCIP concept was developed and deployed in the US marketplace. Since the first pilot was deployed SCIP has realized exponential growth, global reach and the transformation into a digitally powered service in late 2015 through a strong partnership with Milestone Consult.

SCIP as a digital collaboration platform for integrated business planning

The Bayer and Milestone Consult teams analyzed and optimized many supply chain processes through SCIP's digital transformation. The objective was to reimagine the supply chain based on user insights where premiums would be placed on automation, usability, transparency, and so on. Harnessing the potential what digital offers – the intelligent connection of data, process, functionality and visualization – new levels of efficiency, flexibility and profitability would be unlocked.

Therefore, the processes from demand planning to delivery were reviewed with the involvement of strategic partners, especially against the background of proprietary platforms.

In addition to SAP BW for all master data and transaction data, other coexisting systems were connected to SCIP. The GIGYA system was used to simplify and use a „single sign-on“ and user administration. The data connectivity product from Talend was used for data integration.



The SCIP project

The realisation of the project was carried out by an agile approach, i.e. the users tested and evaluated the newly developed functions immediately. This made it possible to decide directly whether the functionality should be included in SCIP. This process, which is closely oriented to the needs of the users, ensured rapid project progress.

What distinguishes SCIP?

SCIP works along a very simple concept. Partners who collaborate together create value together that no partners can achieve in isolation. This approach requires a collaborative strategy that puts the channel partner and its customers at the center of focus.

Strategic and customer-oriented approach

The bidirectional exchange of information and data analysis on market requirements in the respective target regions has proven to be of great value. To this end, SCIP is focused on a channel partner and the territory the channel partner is trying to maximize with the Bayer portfolio.

To complement the collaborative demand forecast, SCIP offers personalized, responsive and reliable supply plans that are linked to the demand forecast. This joining of supply with demand makes both businesses more profitable, efficient, and intelligent unlocking unprecedented two-way value.



The benefits of SCIP for Bayer Crop Science's new supply chain solution

With the development and implementation of the SCIP project, strategic advantages were realized and the benefits for Bayer and its sales partners increased.

In particular, SCIP's core function, the collaborative demand forecast, exceeded expectations and achieved very high forecast accuracy in the ratio of forecast to sales (>90%). The value of product deliveries managed via SCIP also increased significantly.

SCIP has achieved a rate of direct delivery from production to channel partner distribution center of over 90%. This significantly simplifies the ordering process and eliminates the need for a third-party warehouse.

Thanks to SCIP, inventory reductions for our channel partners and Bayer have been achieved.

With fewer truck transport miles driven and a reduction in point-to-point connections, CO² emissions have been significantly reduced and product handling costs minimized.

With SCIP various KPI's can be monitored and intuitively understood. This capability allows the SCIP management team to proactively take action to ensure that measures are taken to keep value at the forefront of Bayer's and our channel partners businesses.



Summary of the project's success

Milestone Consult, as consulting and realization partner, led this challenging project to success with all participants. This was confirmed in 2017 at the SCM Worlds Live America's in Miami, FL where Bayer received two awards: Customer Innovation and Supply Chain Breakthrough of Year awards. Since then the SCIP service has seen exponential growth in the US, an upcoming launch in Europe and continued growth in its digital suite of capabilities.

Future potential of SCIP

Through an approach to gamification, SCIP will be enabling a benchmarking and competitive effect that will drive user engagement and insights that will support collaborative improvement. The planner obtains a more precise and transparent presentation of his planning results and can compete with other channel partners in an unbiased constructive manner.



Another future innovation area is in automation. The main aim here is to relieve the user of routine activities. This not only improves the user experience, but also frees up time for users to focus on high value activities. In addition, there is the development of the SCIP APP that extends user access to content on the go and opens new value streams not possible on a personal computer with capabilities like scanning.

Extension into auxiliary services and into other business areas is also to be explored.

Finally, the possibilities to leverage capabilities like artificial intelligence will become more and more of an opportunity as SCIP grows with more and more data becoming available. Through artificial intelligence SCIP further advances automation of more complex activities and transforms data-driven decision making capabilities into more predictive and prescriptive spheres.

SCIP, as a digitally driven service, serves as an innovation pipeline keeping Bayer and its channel partners are the forefront of value.



“What has propelled SCIP in the marketplace isn’t rocket science. It comes down to developing an intimate understanding of your customer, being relentlessly focused solving problems & never compromising the fundamentals which create value. Bayer & Milestone live these ideals every day and the results speak for themselves.”

**Greg Dibble, Global SC Service Manager,
Bayer AG**

Company: Bayer AG
 Head office: Monheim, Germany
 Range: crop science
 Industry: Pharmaceuticals, Agriculture
 Employees (in the Crop Science division): 20.736
 Project: SCIP
 Supply Chain Integrated Planning



What emerged from the SCIP project from a digital point of view is far more than Business Intelligence or Big Data. Using innovative and agile approaches, we have developed an optimized collaboration platform for the Crop Science division of Bayer that saves costs and is easy to operate. For the future, topics such as machine learning (AI) or the further expansion of the supply chain suite, which will also enable intermediaries or end customers to place orders more easily, are on the agenda.

**Andreas Valkysers, Consulting Manager,
Milestone Consult, Moers**

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 Application Development &
 Quality Assurance
 Employees: 60 + 25 External
 Project: SCIP
 Supply Chain Integrated

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Company profile:

Milestone Consult is one of the leading provider for Business Intelligence solutions (BI), Software Engineering and IT-Consulting. Established in 1989 and continuously developed, Milestone Consult with its range of services is now partner of major enterprises and concerns.

Milestone Consult is run by its owner and financially independent. We employ more than 60 people. With our flat hierarchies and short ways of decisions we gain a high satisfaction along our customer and employees.

With creativity, competence and consulting quality we get a cooperative partnership with our customers, who thereby gain competitive advantages and grow their market position.

Milestone is specialized on conception, implementation and support of innovative solutions with the best available standard tools and liability to quality.

Our customer benefit from our established industry knowledge, long-term experience of our employees and our competence in realizing projects. We are neutral in the choice of technologies and tools, but distinct on Microsoft tools. We have deep knowledge in handling big data, which are combined and prepared from several databases.

Customer / References

Well-known companies from the chemical industry, pharmaceuticals and high-tech like Bayer, EMI, Lufthansa, Henkel, Vodafone and many more belong to our customers.

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