The importance of Data in Bayer's Business Led Digital Transformation

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16th April 2024

CNN

Bayer ordered to pay $2.25 billion after jury concludes Roundup weed killer caused a man's cancer, attorneys say

Süddeutsche Zeitung

Bayer kürzt Dividende drastisch

Neuer Schock für die Bayer-Aktionäre: Der Pharma- und Agrarkonzern streicht die Dividende für die nächsten drei Jahre auf ein Minimum zusammen.

Handelsblatt

Bayer halbiert Führungskreis der Pharmasparte

Bayer-Chef Bill Anderson will den effizienter machen. Das wirkt sich Pharmageschäfts aus. Künftig we

Frankfurter Allgemein

„Es wird weniger Bosse geben"

Bayer-Chef Bill Anderson will viele Führungsposition über Bürokratie im Konzern, die Träume der Mitarbei aus Leverkusen.

FINANCIAL TIMES

Bayer chief blames thin drug pipeline on 'years of under-investment'

Bill Anderson says group is generating a series of promising new drugs after R&D strategy

REUTERS

Bayer investors weigh need for cash amid stifling debt

ZEIT ONLINE

Bayer kündigt Alternative zu Glyphos

FitchRatings

Fitch Downgrades Bayer to 'BBB' Outlook Stable

The New York Times

Monsanto Should Pay $857 Million in PCB Case, Jury Finds

Students and parent volunteers from a school in Washing

atzklagen wegen des Konzern arbeitet an einer

Inc.

Bayer's American CEO Plots Management Revolution From Above

Bayer CEO Bill Anderson is eliminating management jobs and giving power to employe

THE WALL STREET JOURNAL.

Bayer Decides Against Splitting Into Separate Units for Now

WirtschaftsWoche

Bayer erwartet Milliardenumsätze mit Krebsmittel Nubeqa

Bayer traut seinem Krebsmedikament Nubeqa i diesem Jahr erstmals Milliardenumsätze zu. Das Prostatakrebsmedikament rangiert derzeit auf P der umsatzstärksten Pharma-Produkte des Kon

BUNDESLIGA

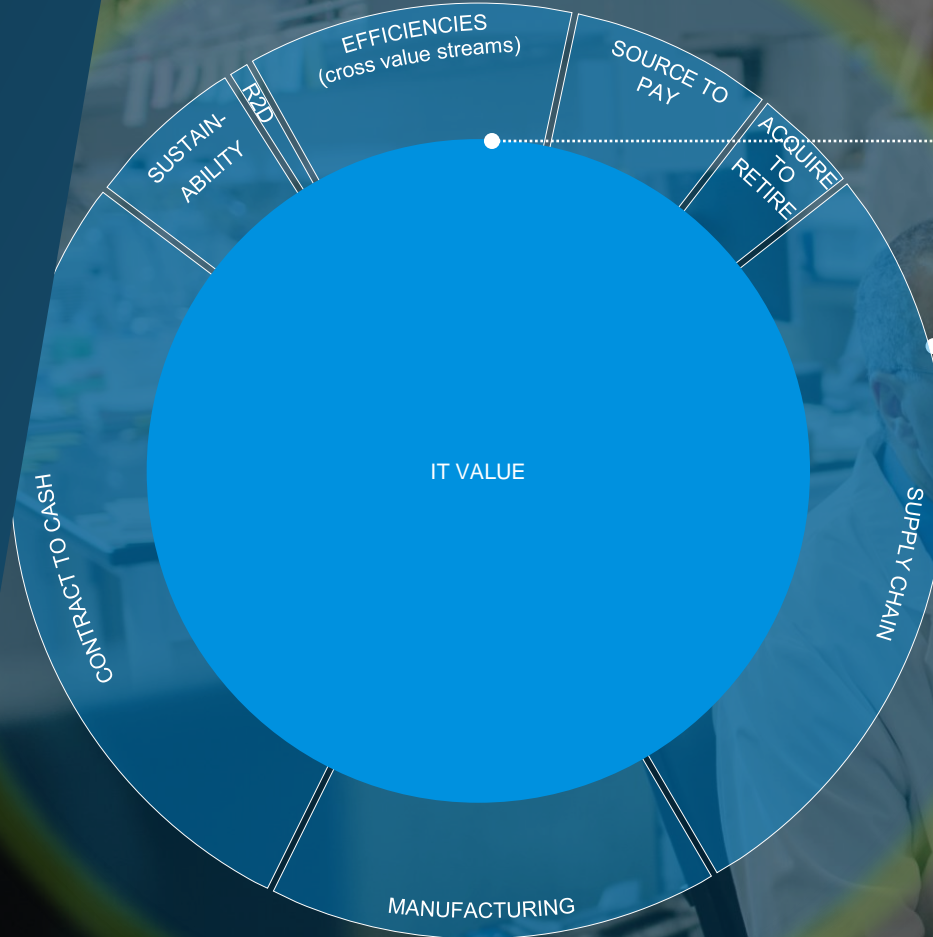## Erstmals Deutscher Meister: Bayer Leverkusen erfüllt sich Traum vom Titel

Bayer 04 Leverkusen ist Deutscher Meister 2023/24! Nach dem Sieg gegen Werder Bremen ist der Werkself der erste Meistertitel der Vereinsgeschichte nicht mehr zu nehmen und löst den Serienmeister FC Bayern nach elf Jahren ab - herzlichen Glückwunsch!

// CORE Program

Data enabled digital transformation

IT VALUE

Value stream segments (around IT VALUE circle):
- EFFICIENCIES (cross value streams)
- R2D
- SUSTAIN-ABILITY
- CONTRACT TO CASH
- MANUFACTURING
- SUPPLY CHAIN
- ACQUIRE TO RETIRE
- SOURCE TO PAY

CONTRIBUTE

CORE with significant run and ERP-induced change cost reductions

ENABLE

CORE enables business value by integrated e2e view (e.g., gross-to-net), harmonization (e.g., procurement synergies), simplified & intelligent processes (e.g., O2C automation) and a modern & agile tech and data platform (e.g., faster time-to-market)

UNLOCK | license to operate

CORE capabilities are a pre-requisite for future growth fields & business opportunities (e.g., direct-to-consumer, sustainability, cell & gene)

SURPASS | better place to work

CORE is the backbone of agility, next-level user experience, a fit-for-future culture and talent retention

Note: Enabling value potential indicated per value stream based on average bottom-up estimate; value potential of Data and Quality value stream embedded and generated in e2e value streams

Data Enabled digital transformation at Bayer
THE CORE GAMEPLAN

<<Gameplan cannot be shared publicly>>

To achieve the ambitions for CORE, we have a clear vision for Data

<<Gameplan cannot be shared publicly>>

1 **Fit-for-purpose data**
Data needs to be accessible in the right quality and made actionable for users

2 **Delivered at minimum cost**
Data is provided through purpose built infrastructure and lean data governance

3 **Driven by business demand**
Our solutions for data are strictly driven by the demand of business
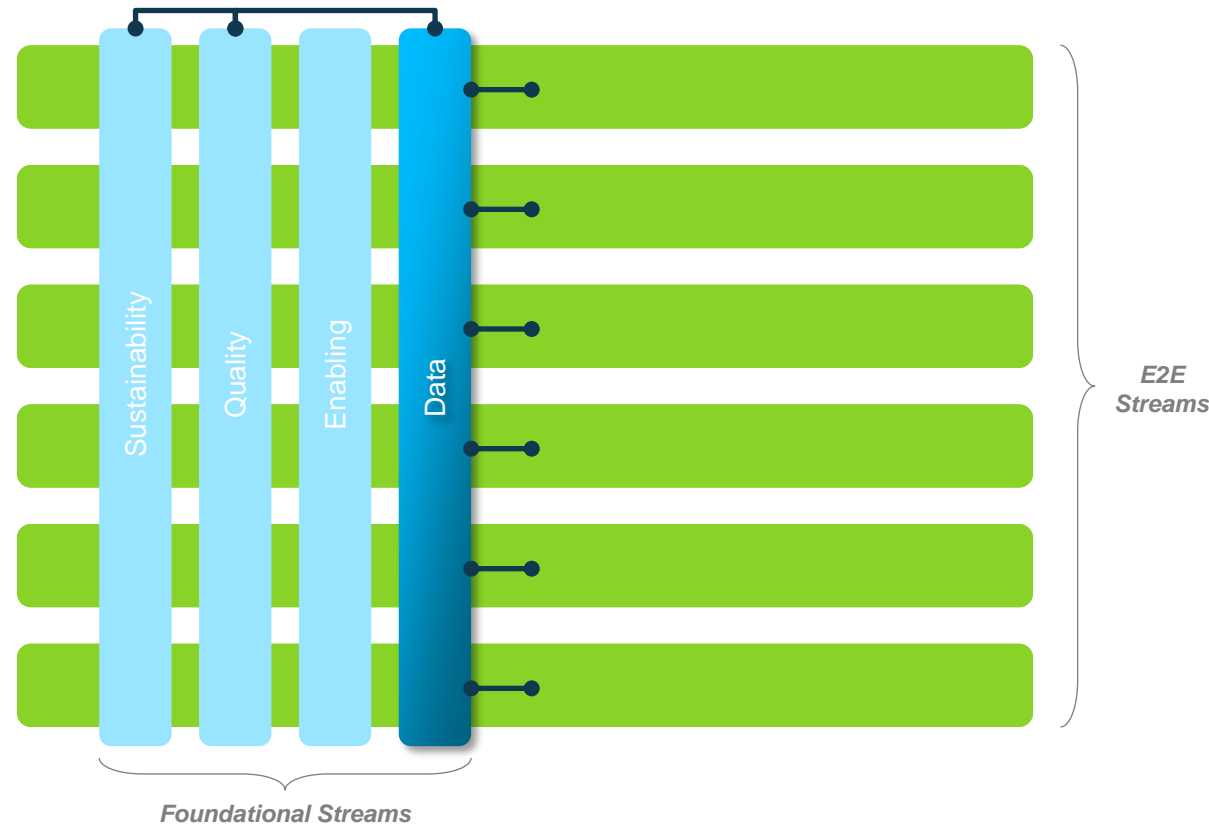
>>> "Data has 60% of the responsibility for the success of the overall program"

Data as a cross functional value stream plays a major role across all other nine values streams
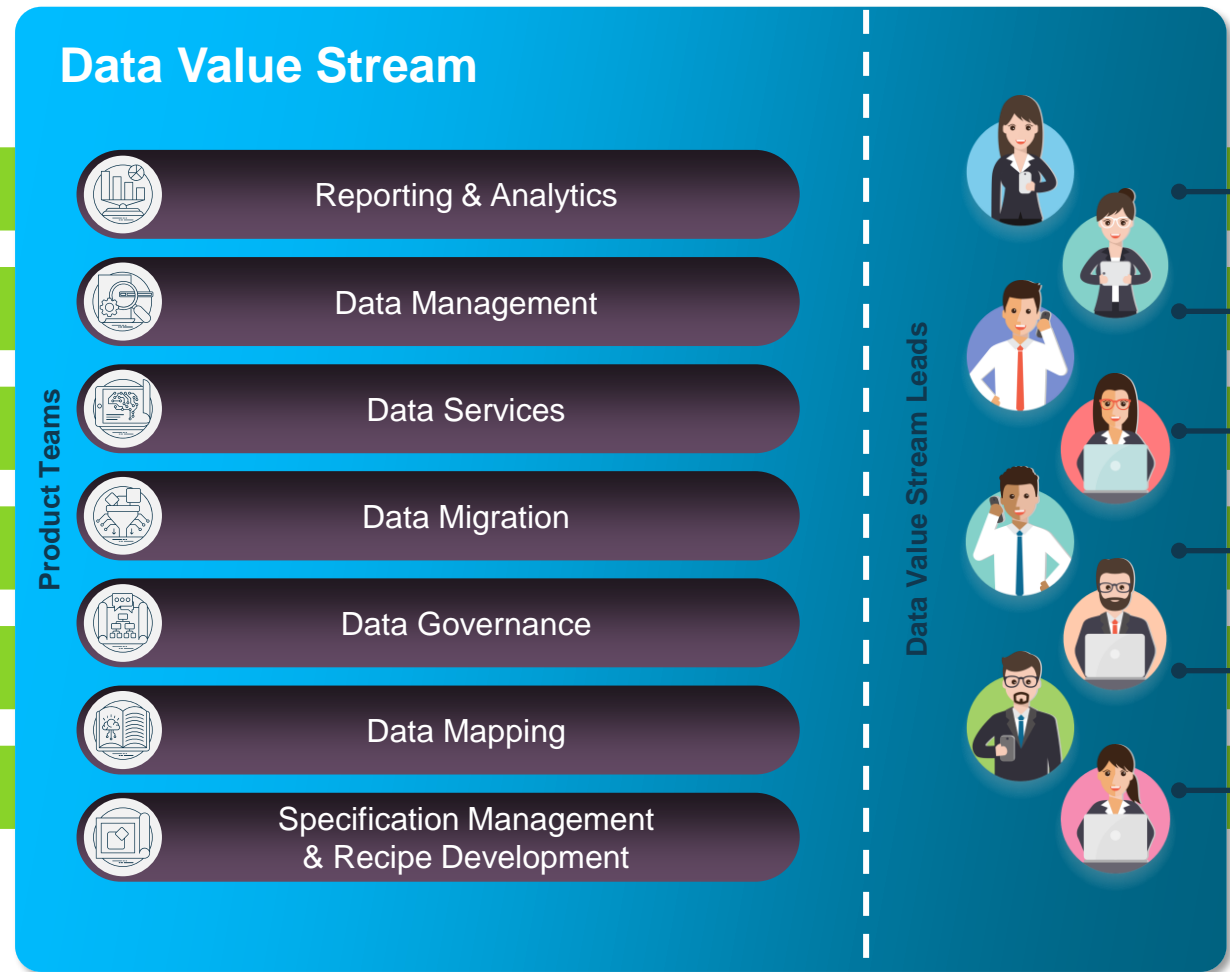
Structure of the CORE Program

Sustainability · Quality · Enabling · Data

E2E Streams

Foundational Streams

Our so called Data VSLs are key to sucess. They are part of the Data Stream, but work with the streams in the to perfom the data related task and act as data embassors

With over 100 people and 7 product teams, the data value stream combines different disciplines to guarantee a full coverage of data

Data Value Stream

Product Teams

- Reporting & Analytics
- Data Management
- Data Services
- Data Migration
- Data Governance
- Data Mapping
- Specification Management & Recipe Development

Data Value Stream Leads

Our capability driven data team setup enhanced by interface positions is fostering strong collaboration and efficient delivery

In line with our vision to reduce complexity as one of the main cost driver, we harmonized data across all streams

Data Management: Complexity reduction with harmonized data concepts

Before ▶▶▶ **After**

Customer Group (C2C)
Standardization of customer group usage initiated. Expected **~ 97% reduction** of the unique values.

	Before	After
Unique to standardized values:	**9,485**	**~200**

Material Master Data (SC&S2P)
Unit of Measure options standardized and **reduced by ~ 97%**. Packaging material types standardized and **reduced by ~60%**.

	Before	After
UoM:	**1,017 (~580*)**	**31 (8*)**
Packaging material:	**59**	**23**

Global Batch Classes (PS CS)
CS row crops, CS vegetables & CS Crop protection Global Batch Classes **reduced by ~60%**.

	Before	After
Row crop:	**36**	**8**
CP & vegetables:	**40**	**2**

Procurement Taxonomy (S2P)
Reduced number of material groups (**~20%**) and sub-categories (**~10%**).

	Before	After
Material groups:	**2,575**	**2,044**
Sub-categories:	**407**	**367**

* Bayer specific units after clean up as per wave 3

Furthermore, we consolidated the data map across Bayer on our way to increase standardization

Data Governance: Governance concept incl. Data Domain Map with roles & responsibilities for clear ownership

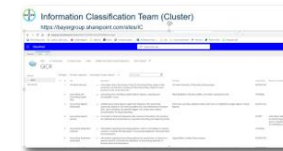## Until 2022

Pharma Data Board Domains

CS Cross-Functional Data Domains

CORE reference Data Domain Map

Enabling Functions managed Data Assets

MDM Office Domain Map

Information Classification Framework
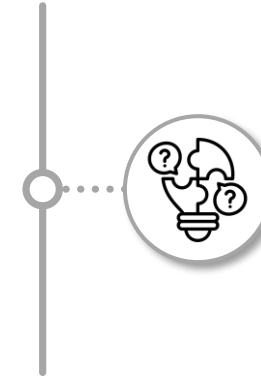
Lack of transparency

Several overlapping and partially contradicting data domain maps scattered across Bayer
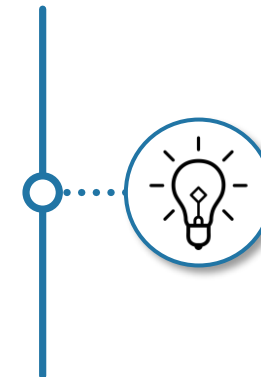
Since 2023

Data Domain Family

Enterprise Domain Family		
Record to Decide	Source to Pay	Master Data
Acquire to Retire	Manufacturing	Contract to Cash
Quality	Sustainability	Supply Chain
HR	IT	Legal, Patent & Compliance

Divisional Specific Data Domain Families

- Crop Science
- Pharma
- Consumer Health

Clearly defined ownership

A central overview into data assets across Bayer, including one central data catalogue

Reporting & Analytics

Integrate in the existing reporting landscape, while creating a standardized report along the processes

Existing Reporting Landscape

Global and Local Data Platforms

Bayer has already multiple global and local data platforms that serve the needs of the three divisions (CH, CS & PH)

Integrate & Adapt

Instead of create a new platform it was one of the guiding principles to bring the data to the user and integrate in the existing data platforms

Centralized Data Mapping

To synchronize legacy and new world a centralized data mapping was introduced. This solution and the surrounding processes enable to reuse content and structural mappings across Bayer.

Lightweight Live Reporting

While reshaping the operational processes, a lightweight live reporting is built along the processes

95% Standardization Rate

Bayer is known for highly automated, but highly individualized solutions. When creating the new operational reporting, we adhered to a 95% standardization rate

Move custom requirements to data platforms

This standardization rate can only be achieved by move highly custom reporting to the dedicated platforms

Operational Reporting

Despite the good progress and achievements, there is still a way to go over the next years

CORE

Solid Data Ownership

Unfold the full potential of data

Enterprise Master Data Hub

Rolled out as backbone for all master data

Integrated Data Model

To be established until 2026

Data Domain & Data Catalogue

Established and tool supported

Thank You!

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