

Essity & Signavio

Stephen Fonzo

GBS Director, Service Excellence



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Welcome to Essity

Essity is a leading global hygiene and health company. By breaking barriers to well-being, we improve the everyday lives of millions of people – at every stage of life – and contribute to a healthy and sustainable society.

Sales are conducted in approximately 150 countries under the leading global brands TENA and Tork, and other strong brands, such as Actimove, JOBST, Leukoplast, Libero, Libresse, Lotus, Nosotras, Saba, Tempo, TOM Organic, Vinda and Zewa.

Net sales in 2021 amounted to approximately SEK 122bn (EUR 12bn). Essity has about 46,000 employees across the world. In 2021, we welcomed new colleagues through six acquisitions.

Read more about Essity in our Annual and Sustainability Report and on **www.essity.com**

Our business areas

Health & Medical



Consumer Goods



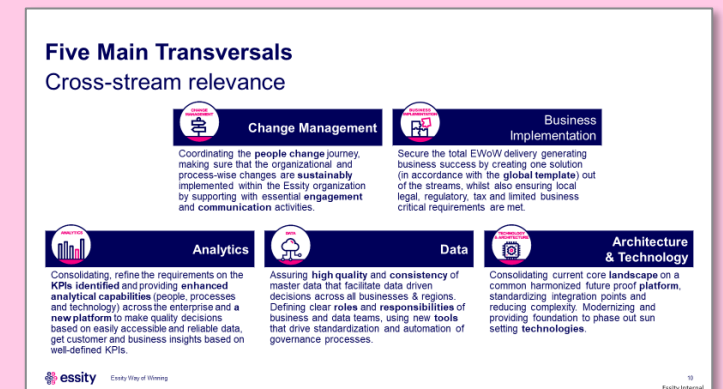
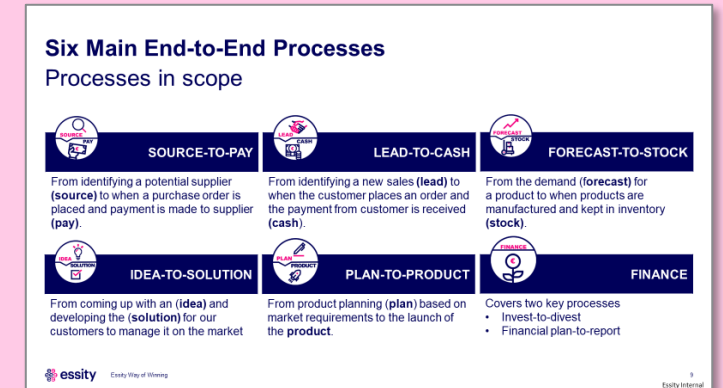
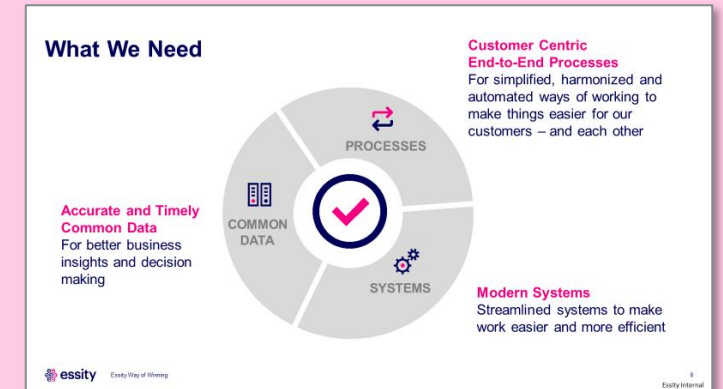
Professional Hygiene



A few words about our Transformation

- Began in 2019 with **due diligence** phase “Pre-Study”
- “**Greenfield**” approach
- Consolidation of **multiple ECC instances** to S4
- **End-to-End processes** (L2C, F2S, etc) and **Transversals**
- Master data migration and management in **MDG**
- **Solution Manager** for DevOps
- Business Partner migration to **C4 + Customer Cloud**

→ SAP Solution Manager 7.2 used to support **initial process modeling / diagrams**



Making the case for a BPMS

Why is BPM important and what are we trying to solve?

- Some **education** needed
- External **case studies** and insights helpful
- Near-term benefits to **support transformation** program
- Mid-term support for driving **digital use cases** and data-driven process improvement / **operational efficiency**
- Longer term view seeks **competitive advantage**
- Alignment across executives and VP's with **strong sponsorship**
- Pilots and early **success stories**

What is Business Process Management?

Business Process Management is the foundation for Process Improvement; BPMS is the technology designed to underpin both improvement and ongoing management

Business Process Management (BPM) is:

- The discipline of defining, documenting, publishing and governing processes and procedures with clearly identified ownership and change control processes
- The practice of continually measuring and monitoring process performance
- Seeking to continuously improve process performance in line with customer and stakeholder requirements
- Align process performance to strategic business goals

Business Process Management Suite/System (BPMS) is:

- Technology (usually modular) specifically designed to support Business Process Management and make **BPM** easier, more effective and more efficient

Capabilities can include:



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Benchmarks: What others have done

Process Management as a Strategic Capability

Zalando (Retail / eCommerce - Shoes)
BPMS implemented for online orders / eCommerce because "It was almost impossible to understand the actual operation of this strategically important core process" that was complicated and spanned multiple systems. The process is now fully understood and is manageable by its process owners, providing a solid foundation for continuous improvement.

Visana (Insurance)
BPMS implemented end-to-end for process visualization, real-time performance monitoring, orchestration and automation. They achieved real-time KPI monitoring, continuous process optimization and capacity planning, and are implementing fundamental changes to 25% of job functions to realize the potential of automation.

Duni (Paper - Custom printed napkins and table accessories)
BPMS implemented as an orchestrator for use on top of multiple order and ERP systems as part of digitization to minimize ERP customization and provide a common way of working regardless of system. They have succeeded to optimize scheduling and production planning and implemented machine learning model with "gradient boosting" to predict process performance and drive continuous improvement.

Generali (Insurance)
BPMS implemented to orchestrate, automate and integrate private and public cloud services for the provision of IT infrastructure services. "Within four weeks, the first infrastructure services in Germany could be carried out via self-service on the new orchestration solution. At the same time, the license costs... were reduced significantly." Now the global blueprint for IT services throughout the Generali Group.

Godrej & Boyce (Mfg - Office Equipment Division)
BPMS implemented to support transformation from functional / hierarchical structure to an integrated process-driven organization. Results: On-time fulfillment increased from 40% to 80%, working capital turns increased and finance costs decreased by about 50%, first year profitability measured as a % of sales increased from 1% to over 4% and has not only sustained, but increased in subsequent years. Now adopted by all 12 business units.

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Business Process Management Update - 2021 9984

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BPMS Value Proposition

Why is BPMS important and what are we trying to solve?



BPMS enables Business Process Management

- Business**
- Safeguard and maintain E2W process ownership and standardization
 - Provide one source of truth for processes and single point of entry to the employees to view this information
 - Govern the process architecture
 - Govern and structure the process documentation
 - Capturing, documenting and mitigating the business risks
 - Drive consistency and standardization in process design and documentation
 - Drive business process standardization
 - Harmonize business terminology

- Customer**
- Capturing and documenting the customer requirements
 - Developing the customer requirements into process measures
 - Consolidate data across multiple processes to show customer journeys and experience
- Leadership**
- Enable the Process Management journey
 - Monitor and drive process performance
 - Use process data to identify opportunities for process improvements
 - Bridge strategy to the processes, enabling a stronger strategy implementation and measurements
 - Support Process Ownership

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Why Signavio?

BPMS Evaluation

- Evaluated 30+ BPMS platforms & tools
- Based on 130+ requirements
- Multiple demos and Q&A sessions
- BU's, EA, Sourcing, GPO's, GRC, DevOps, Global Functions, etc...

Top considerations:

1. Ease of use, collaboration
2. Data object based
3. Sync with Solution Manager
4. Process intelligence / mining
5. SAP investment / strategy

BPMS Evaluation												
Short Question (Based on list of Requirements and RFI questions)	Weighting	Reason for Weightage	Visio	CANEA	Barium	K2	Jira / Confluence	Software AG / Aris	Signavio	SPARX	TIBCO	Bluewin
1. Process Discovery 2. Related Objects (E.g Applications, Teams)	10	Fundamental / Must Have	4	1	3	2	4	9	9	9	7	6
Hosting SOP's & Desk Instructions	3	1. QMS Tool (CANEA) Available 2. SAP & SharePoint can be leveraged 3. Hyperlinking can be leveraged	2	8	2	2	3	7	9	6	5	6
Versioning & Access Control	6	Work-arounds if features not available: 1. Multiple copies if Versioning not available 2. SharePoint structures	4	6	4	4	6	8	6	6	6	7
Mapping & Analysing Process Variants	7	1. Folder structures and taking copies of files 2. Copy structures to other locations	2	1	3	3	3	9	8	6	6	6
Language / Time Zones	9	To help process discovery in some countries	7	1	2	2	5	8	8	7	6	6
S/4 HANA Linkages	7		4	2	6	7	4	8	9	7	6	5
Collaborative Discovery												
Using Golden Source Data												
Basic Import & Export												

Signavio vs ARIS

Whilst there are **some limitations to both solutions**, we believe we could make either solution work with workarounds; due to **end-user appeal and quick startup** we would **recommend proceed with Signavio**

ARIS

Strengths

- More features and a more mature product
- Integrated document storage
- Quality management module
- Translation capabilities
- Process Mining embedded

Weakness

- Supplier not so engaged
- Not so visionary, limited product roadmap
- End user interface
- More features but requires more consulting and intensive training and startup c280 days

Signavio

Strengths

- Supplier very responsive and engaged
- Exciting roadmap that closes most gaps in next release (Q4 21 beta)
- Ability to influence roadmap
- More modern and appealing end user interface
- Quick startup – significantly less consulting hours and training c10 days

Weakness

- Limited integrated document storage (2gb)
- Limitations re co-existing hierarchies (impact e.g., ITIL, SCOR, Org views etc)
- New cost / pricing model for Process Mining

Approach & Challenges

First steps in the BPM journey

Key Steps

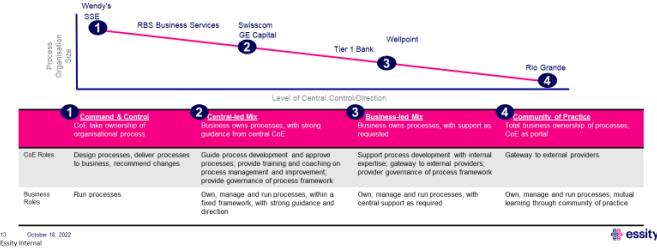
- ✓ CoE & Process Owners
- ✓ Early change management
- ✓ Maturity assessment
- ✓ Evaluation / selection
- ✓ Value proposition
- ✓ Purchase / Implement
- ✓ Success Stories → Pull

Challenges

- Understanding / buy-in
- Implementation & Configuration
- Mindset shift, roles & upskilling
- Existing documentation
- Process architecture
- Maintaining Engagement

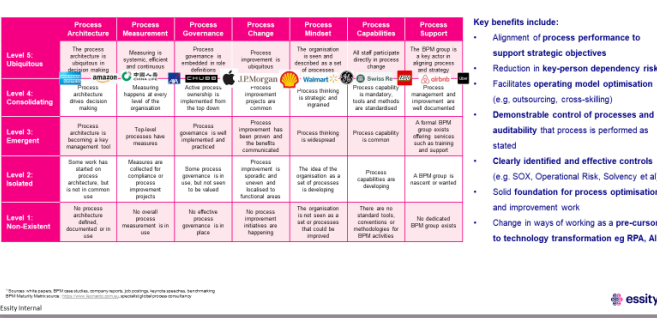
CoE Models

The options for a CoE vary from a strong centralised function with overall process ownership through to a community of practice providing a gateway to approved providers of process management expertise



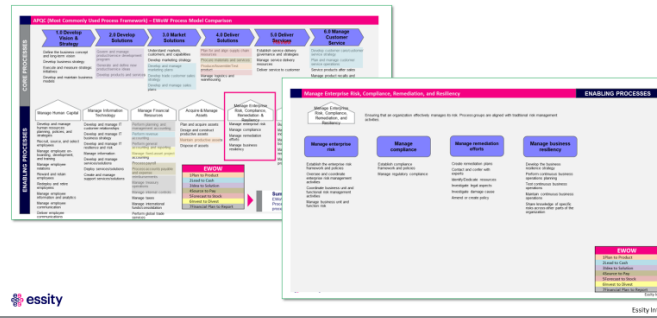
Process Maturity

The world's most successful companies have established process-led strategies¹ – Business Process Management (BPM) – over the past 10-15+ years.



Process Architecture

Using APQC as benchmark to guide building of an Essity Process Architecture



Making BPM Easy to Understand

Vision

Converting our process assets from passive **unstructured** into **structured data** that can be used

Processes as Unstructured Data



- High effort to maintain
- Low reusability
- Low capability / overhead



Standalone Documents

Lots of tools & standards



Complex to govern

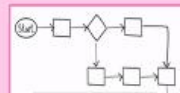


So we can press "Play"

Processes as Structured Data



- "Runnable" code
- High reusability
- Value-generating
- End-to-End
- Process Perf Mgmt



Data objects



Automated governance, Common Architecture



One Platform

July 12, 2022

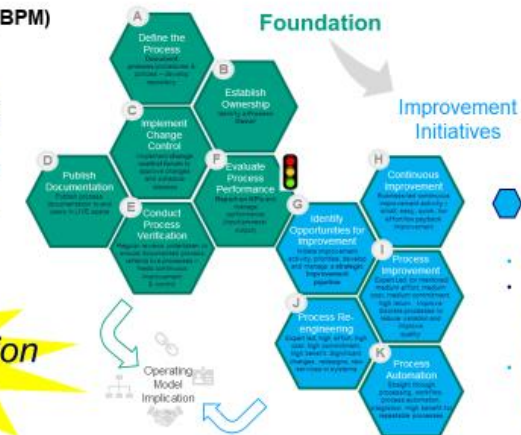
Strategy

Two-pronged strategy ensures **foundation to deliver change effectively** and **ensure change will last**

Business Process Management (BPM)

- Embedded in **day-to-day operations**
- The **discipline** of defining, documenting, publishing and governing processes and procedures with clearly identified **ownership** and **change control** processes
- The practice of **continually measuring and monitoring** process performance
- **Aligning** process performance to strategic business goals

BPM is the foundation for BPI








Business Process Improvement (BPI)

- **Project-driven** activity
- Using **structured approaches** to identify the right opportunities and optimise the efficiency, effectiveness and accuracy of processes
- **Data-driven** improvement, conformance assessment, simulation, etc, with **quantifiable benefits** (e.g. reduce defects, increase output quality, reduce cycle time, reduce cost, etc)

Value-Driven Approach

SAP Signavio

Maturity of our process management assets and practices

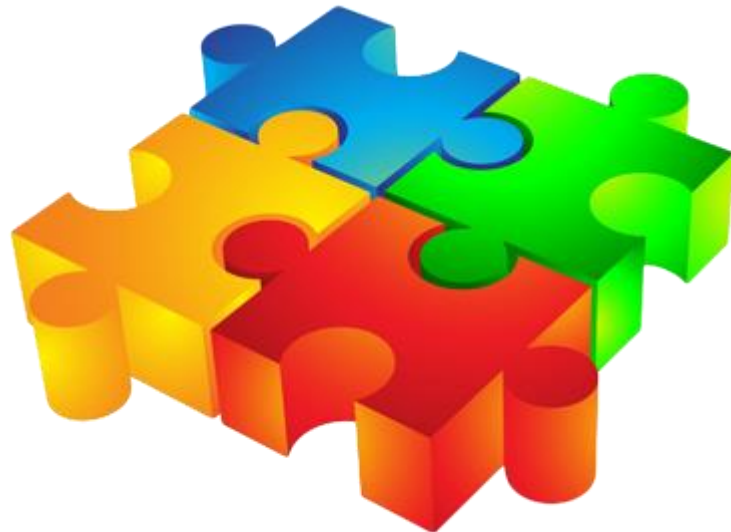
Phase 1	Phase 2	Phase 3		Phase 4
Authoring Tool  Replaces other tools for process authoring and permits easier documentation Begins to move toward standards, quality checks Notes: <ul style="list-style-type: none">• Migration of existing maps into Signavio• Managed by GBS modelers / PRR process	Collaboration Platform  Provides means to more easily & efficiently coordinate process assets across stakeholders Replaces workshops with task-driven workflow, governance Notes: <ul style="list-style-type: none">• Training and support to process owner teams• Owners and their teams using Signavio	Consumption Portal  Access to procedures and work instructions by performers Over time replaces GMS as point of access to documents & QMS Notes: <ul style="list-style-type: none">• Control over when to make the switch, planning needed• Rollout with "go-lives" for individual user groups	Change Management  Automated means to check process adherence & drive actions (e.g. Global Template) Process Mining & Variant Mgmt, EnableNow integration Notes: <ul style="list-style-type: none">• Conformance management and metrics• Use to drive adoption / re-training / support governance	Continuous Improvement  Enables data-driven process improvement, simulation and measurement Analysis and implementation of new business models / M&A Notes: <ul style="list-style-type: none">• Simulate changes before making them, measure results• Customer journey mapping

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Simple and clear, resonates well with stakeholders

Making it clear where the BPMS fits

- System landscape / logical architecture
- Content / system of record alignment
- Documentation model & standards
- Functional alignment (e.g. Quality and GRC vs Process Management)
- Organizational Roles



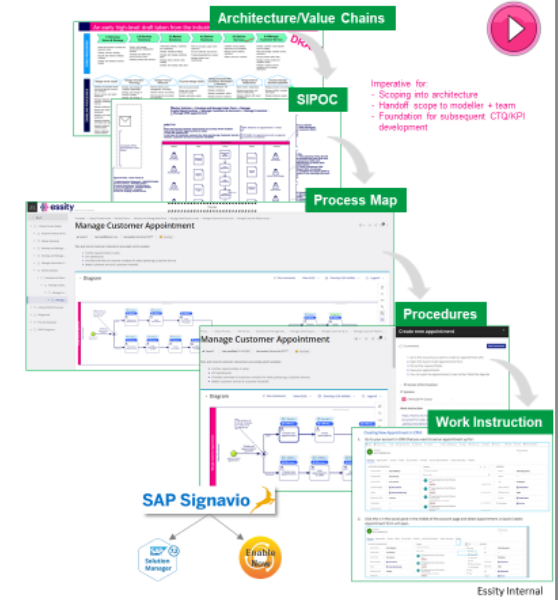
BPMS Target State

Process **documentation model** and **collaboration platform** to enable our ambitions

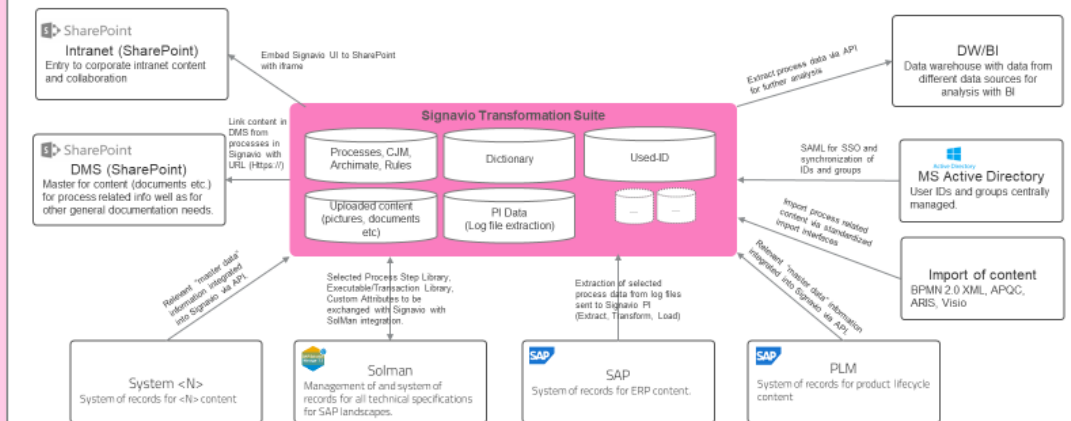
- **Process Architecture** and interfacing processes defined, governed in Signavio
- **SIPOCs** in use for documented processes
- **Process maps** include main exceptions (not only happy path)
- **Procedures** at appropriate level of detail
- **Metadata** to support governance and management
- **Work Instructions & supporting documentation** linked and managed under same governance
- Links to other resources to **enable process-driven technical development and training**

Process owners, contributors, stakeholders and performers using it!

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BPMS (Signavio) Context



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Name of document

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Next Steps

- **Solution Manager** Guided Beta / Connector Early Adopter program
- Support our transformation program with **standardization** of process models and documentation
- Drive process management **training and skill development**
- Introduce process-enabled **analytics, metrics and KPI's**
- Vertical **development of services**, e.g., benchmarking, integration with training (EnableNow), acquisition assessment, simulation, discovery and conformance
- Partner with SAP to drive the **product roadmap**

→ Keep engaging and **continue our journey**



Questions & Answers

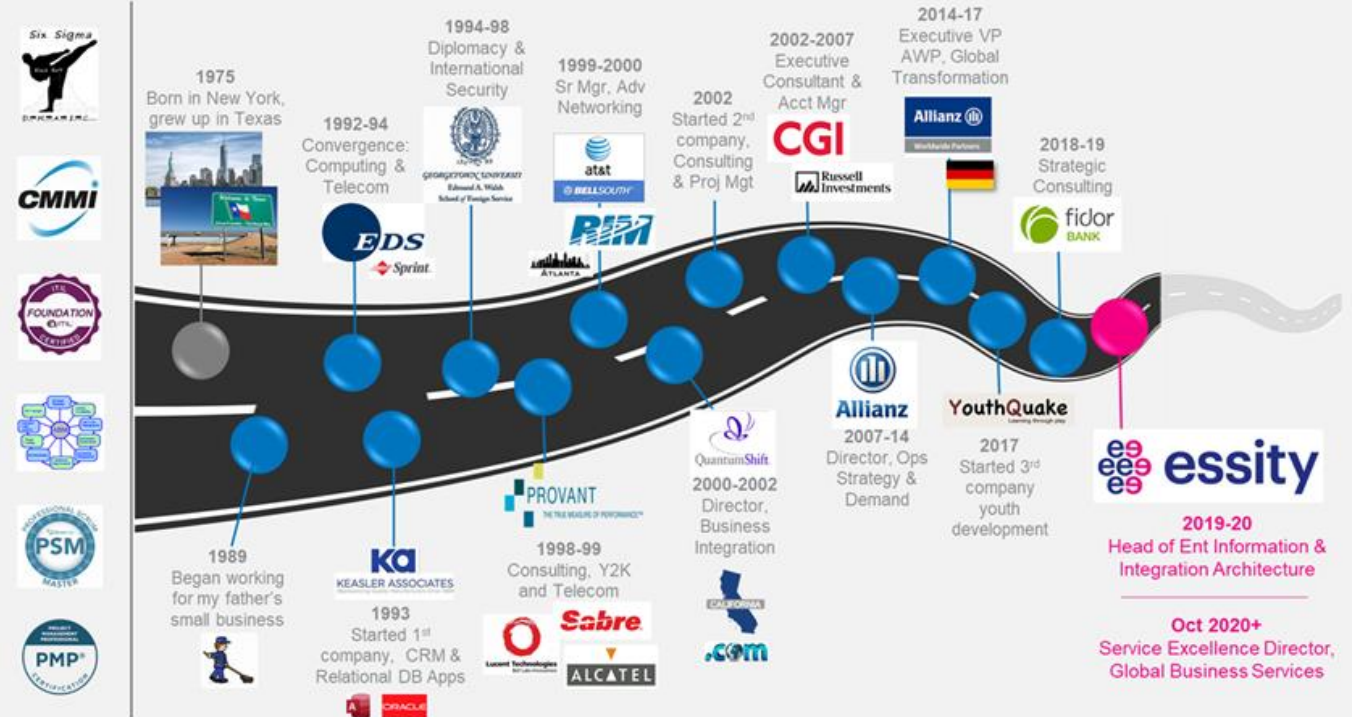
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Snapshot

- 47 yrs old - married 15 years - 12yo son - living in Munich since 2014
- Have worked across 38 countries
- Experience in digitalization, organizational change, breakthrough innovation, business turnaround, large-scale transformation
- Creation of high-performing teams, agile organization and execution, customer centricity, value-driven enterprises
- Cross-industry experience in roles from brand/marketing/sales to supplier mgt



Career Journey (so far)



"Inspiration, organization, perspiration"



Thank You.

