How will platforms and assistance systems influence the coatings industry in the future?

Visionaries have no rivals.
EVONIK COATING ADDITIVES

Dr. O. Kröhl,
VP Strategic Business Development

January 2021,
SVLFC Tagung

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New digital competitors are coming up in various industries. They show a strong willingness to invest and to change rules.

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In B2C, we already faced how new digital entrants dramatically changed the way customers interact with companies.

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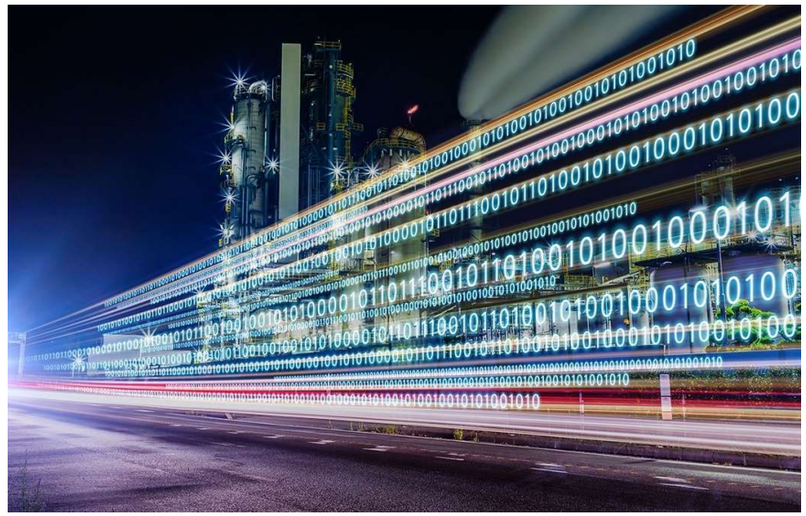
But also our business life.

Digitalization is starting to have a real impact on B2B via Artificial Intelligence, IoT or Machine Learning.



Artificial Intelligenc (AI), Internet of Things (IoT), Machine Learning (ML)

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2020 might be seen as the tipping point for digitalization in B2B and especially a game changer in the Chemical industry.

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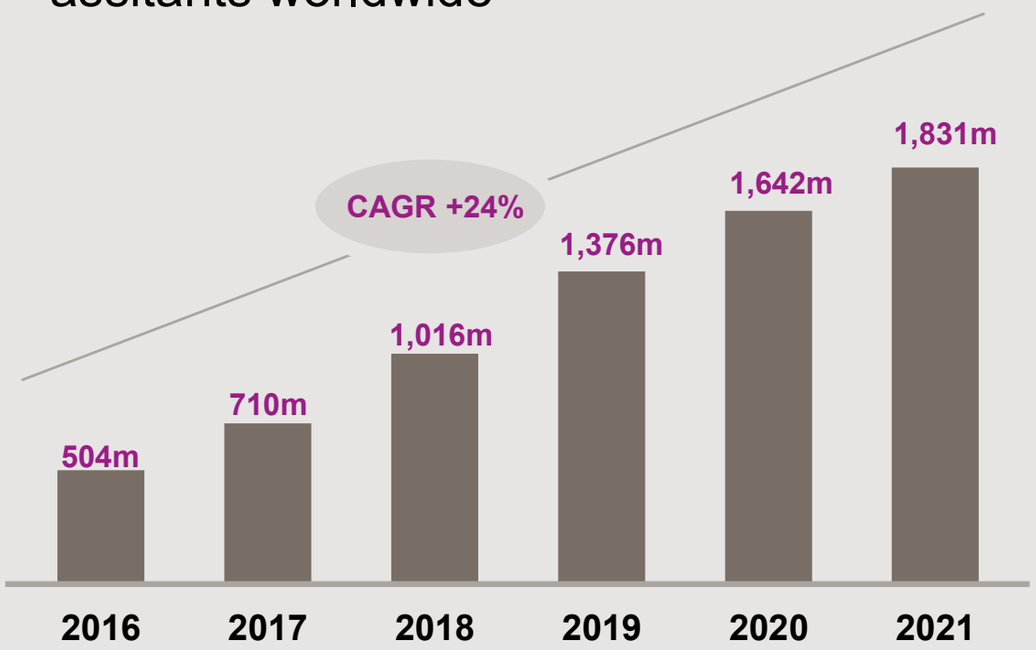
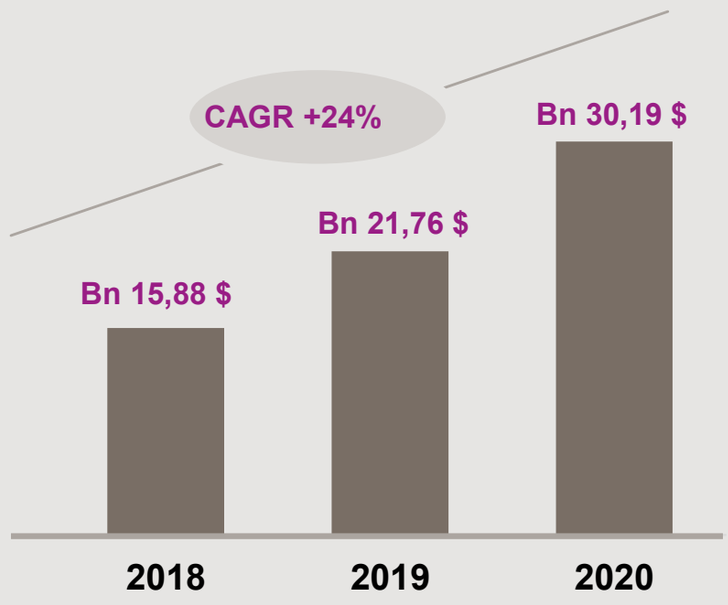
Digital assistant systems have grown significantly. Third party suppliers conquer the B2B marketplaces.

Estimated number of users of virtual digital assitants worldwide



Third-party marketplaces account for most of B2B gross merchandise volume



阿里巴巴 Alibaba.com

amazon

Rakuten

Statista: https://www.statista.com/chart/5621/users-of-virtual-digital-assistants/

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The Chemical industry is facing three main challenges.

Manage Complexity

- # Customer requirements
- # Raw materials
- # Regulations

Increase Efficiency

- Matching of Needs
- Targeted search
- Faster development

Drive Innovation

- Shorten time to market
- New customer expectations
- Shorter product life cylces

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The chemical industry has started since 2016, but does not yet offer its chemistry and products in a broader context

Most chemical marketplaces were found in

2016

Most chemical marketplaces offer products from up to

25,000 suppliers

Newly launched vertical B2B markets:

More than **50**

> 60

B2B platforms dealing with Chemicals on a trading platform or eAuction

>100

Different B2B Marketpalces serving various industries – including Chemicals

Most chemical marketplaces offer up to

10,000

products

Chembid Chemical Markets Report 2021, Digital Commerce 360: 2020 B2B Marketplace Report Series – Part 3

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We need to act and start transform our business.

And it starts with: Rethink innovation.

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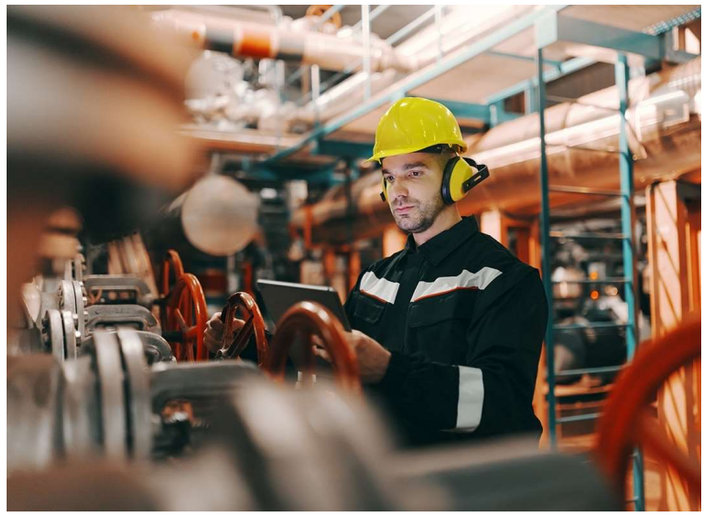
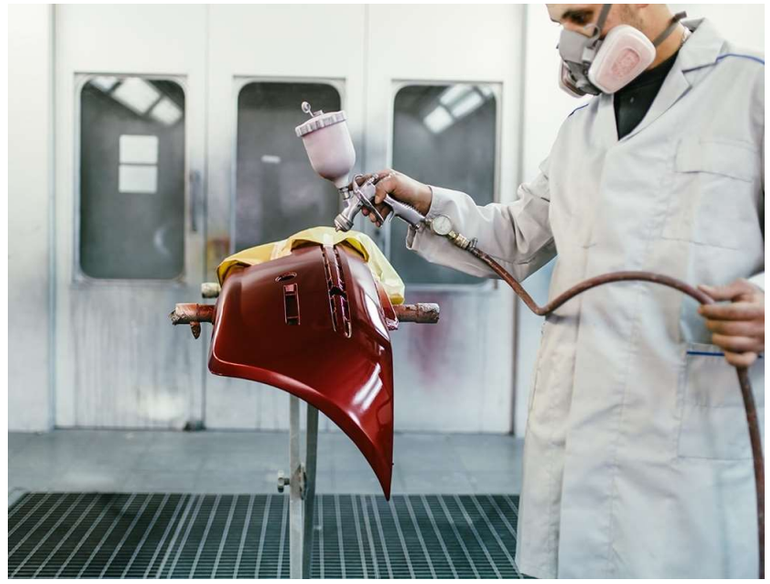
Innovation potential is everywhere.

And every colleague is an innovator.





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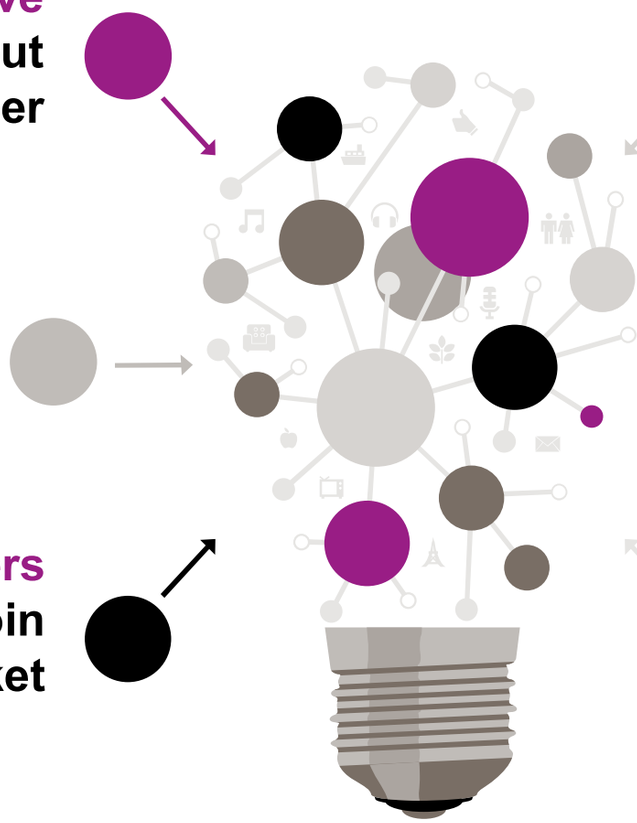
Innovation is leaving R&D and Applied Technology centers

Change perspective
Everything is thought out from the customer

Break up restrictions
Flat hierachies, agile project management



Encourage people
Implement an open innovation culture

Foster collaboration
Implement customer & cross-functional teams

Collaborate with partners
Share knowledge, join forces, tackle the market

Allow mistakes
Try fast and kill fast

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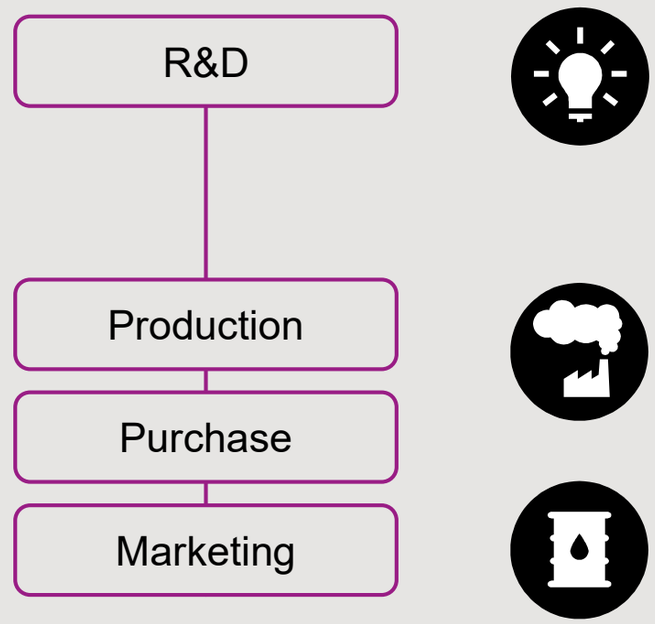
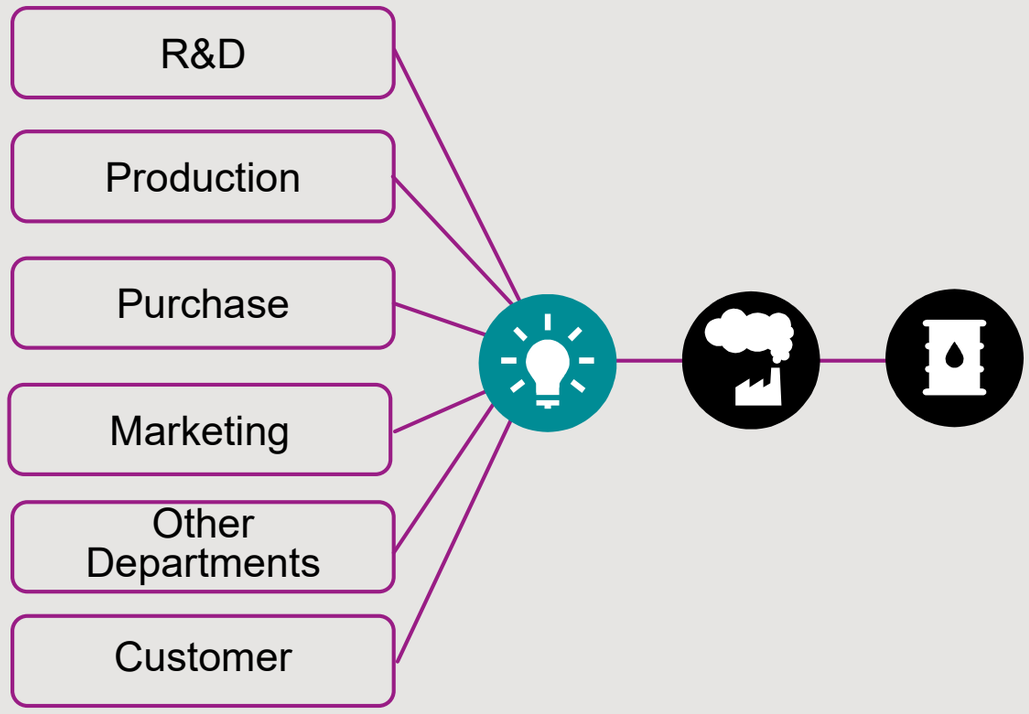
Innovation is leaving R&D and Applied Technology centers



Traditionally innovation takes place in R&D departments



In agile innovation processes all departments participate for a certain time

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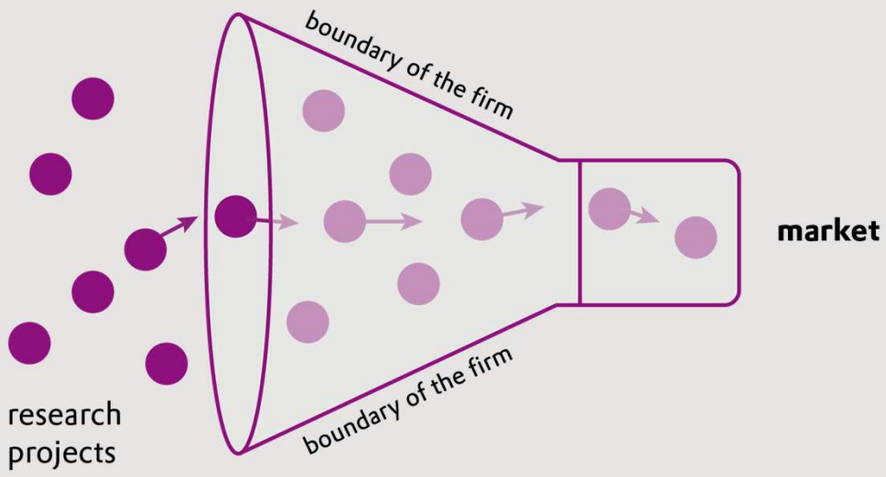
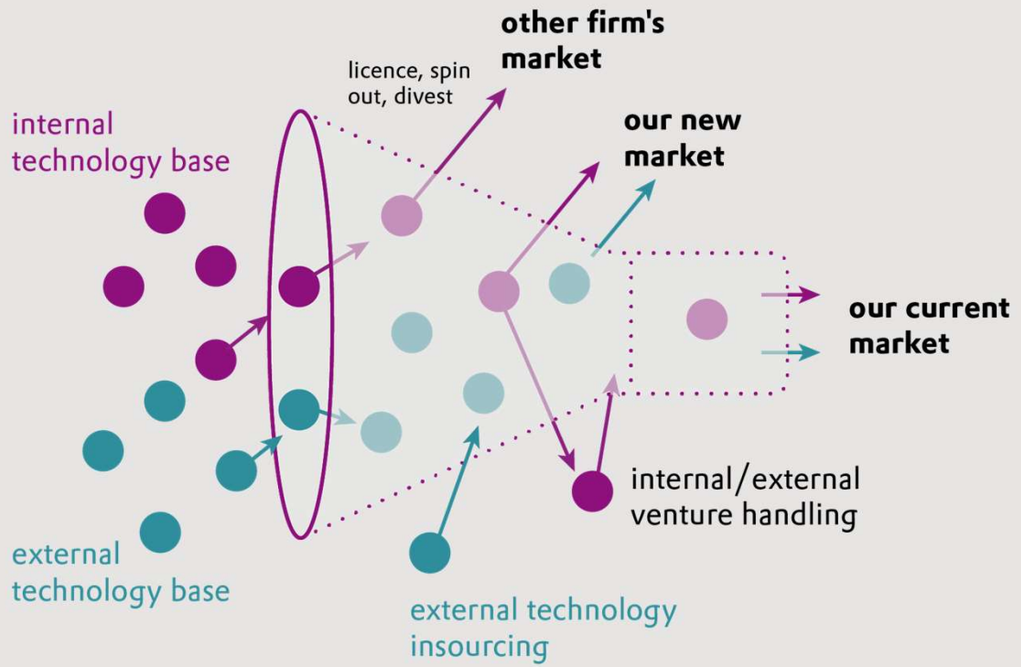
Innovation is leaving R&D and Applied Technology centers



Classic Innovation Process



Open Innovation Process

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With COATINO®, the first digital assistant, we made the start.

The start for an industry-specific solution to manage complexity, increase efficiency and support innovation.

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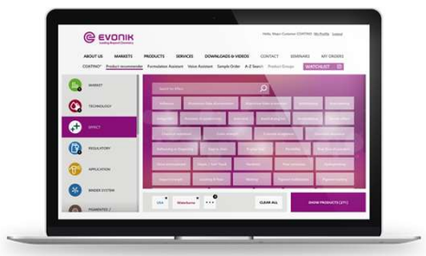
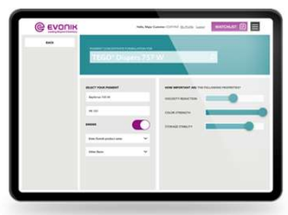
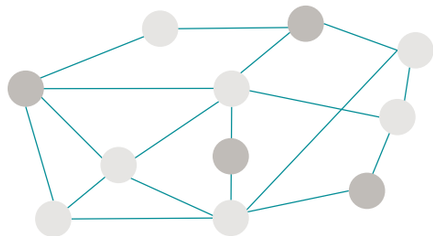
Use Case COATINO® – Your shortcut to better coating formulations







Product Recommender

- Find your coatings solutions fast & easy
- Analyzes, compares, and recommends hundreds of additives

Formulation Assistant

- Based on AI-supported algorithms
- Countless guiding formulations according to your needs

Voice Control

- Handles the specialist vocabulary of technical language
- Hands-free access to the world of formulations

Partner Network

- Smarter interaction
- Facilitates access to new solutions
- Provides competitive advantage

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COATINO® thrives on its network and invite industrial partners to join

Cooperation makes it **faster**

Cooperation makes it **smarter**

We have started talking to industry partners who are joining, participating in, and contributing to the dynamic formulation network – join us.

Cooperation makes it **better**

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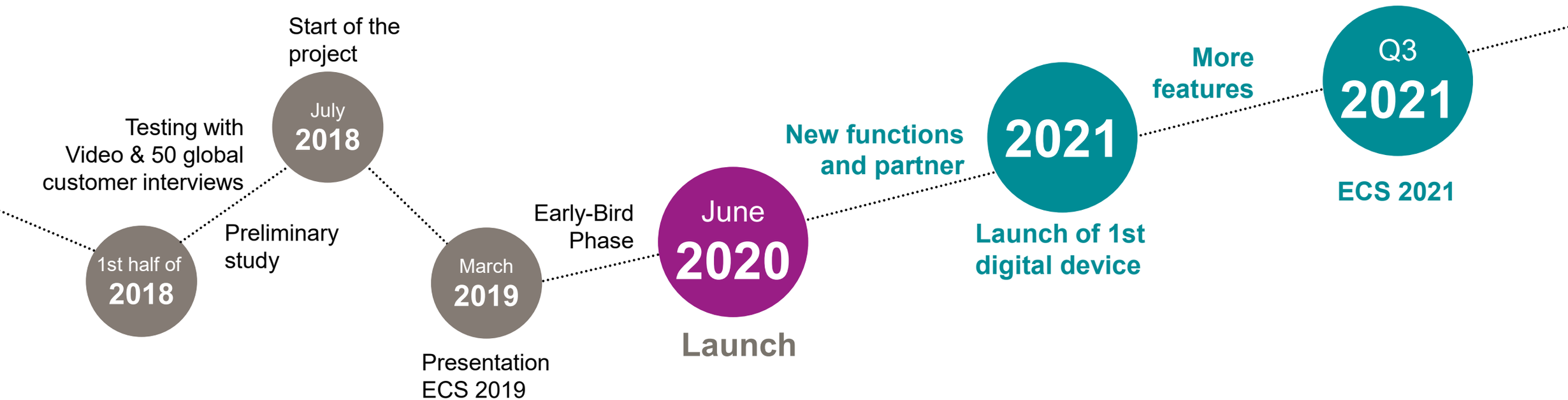
Use Case COATINO® - The Dynamic Formulation Network…more to come.



Customer-oriented, collaborative, cross-functional agile and fast

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Investments are indispensable, especially in times of crisis.

Small, agile competitors will now seize every opportunity to fill new gaps.

CRISIS = DANGER + CHANCE

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~~We could,~~

~~we must,~~

~~we had,~~

~~we should.~~

We do.

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Shape YOUR digital innovation.

Think in chances, not in risks

Adapt to a changing business & customers behavior

Find partner & build a network

Take controllable risks

Find your own way

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