



DIGITAL TRANSFORMATION BENCHMARK

Executive Summary: This report provides a comparative analysis of digital transformation initiatives across the raw materials industry, highlighting key strategies from major leaders in wood, chemicals, and paper sectors. It aims to offer actionable insights for our company's digital strategy development. Unfortunately, as there are not widely publicized benchmarks for digital transformation in raw material sales companies, I only could look at companies in

related sectors or those known for their innovative use of technology to get a general idea.

Industry Leaders

Wood Industry:



Weyerhaeuser (WY): A major North American timber company that has enhanced its digital transformation by using **cloud technology** for data center operations and applications. They've digitized traditional processes, like logging load records with mobile devices, offering real-time data access from remote locations. This shift not only modernizes their IT infrastructure but also optimizes supply chain operations through digital tools.

(<https://www.westmonroe.com/perspectives/q-and-a-spotlight/taking-technology-into-the-woods>)

Stora Enso (STEA.HE): This Finnish Forest products company has greatly enhanced its digital capabilities by implementing a **customer relationship management system** that allows for online ordering and real-time visibility of inventory for wood products. This integration provides streamlined operations and improved customer service, making it easier for clients to manage purchases and track available products in a more efficient way. (<https://www.storaenso.com/en/investors/reports-and-presentations>)

Greenpac (GPC [NZX]): A New Zealand wood products leader, Greenpac uses **advanced analytics** to enhance production planning and logistics. They focus on optimizing the delivery of wood products by employing sophisticated data-driven techniques to streamline their operations, ensuring more efficient and timely distribution to their customers. (<https://nzwoodproducts.co.nz/>)

Chemical Industry:



BASF (BAS.DE): This German chemical giant uses a **cloud-based platform** for customer collaboration, allowing real-time communication and product development discussions with clients. This digital approach improves customer engagement and speeds up innovation by integrating customer feedback directly into the development process. (<https://www.basf.com/global/en/who-we-are/digitalization.html>)

Dow (DOW): Dow Chemical has implemented a **digital marketplace** connecting buyers and sellers of chemicals, streamlining the procurement process and improving efficiency. (<https://www.dow.com/en-us/product-technology/pt-polyurethanes/harnessing-the-power-of-digitalization.html>)

DuPont (DD): DuPont leverages **digital tools** for inventory optimization and data-driven insights (in their sales of chemicals). (<https://www.slideshare.net/slideshow/dupont-customer-success-story-enterprise-inventory-optimization/14781872>)

Paper or Cellulosic Industry:

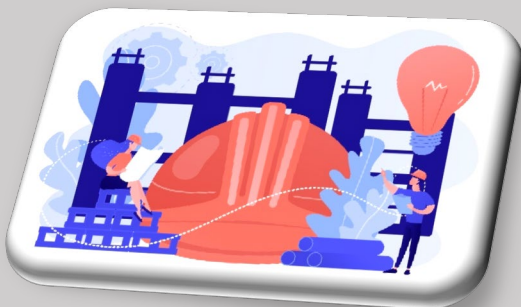


International Paper (IP): This global leader in paper products uses **digital software** to track inventory levels in real-time, optimize and track logistics, ensuring timely delivery of paper products to customers.

(<https://www.internationalpaper.com/industry/shipping-distribution>)

Sappi Limited (SAPPI): A South African pulp and paper company, in collaboration with the Rochester Institute of Technology (RIT), has launched the Sappi-RIT **Digital Innovation Lab**. This initiative focuses on using digital solutions and big data to enhance customer experiences and streamline Sappi's operations. The lab explores how to create value from the extensive data Sappi collects, allowing to drive innovation within the company and across the pulp and paper industry. (<https://www.sappi.com/launching-the-sappi-rit-digital-innovation-lab>)

Broader Industries



Thyssenkrupp (TKAG.DE): This German steel major company implemented a cloud-based **CRM system** for improved customer relationship management and streamlined sales processes. Their reports suggest increases in sales efficiency and improvements in customer satisfaction. (<https://www.thyssenkrupp-steel.com/en/company/digitalization/smart-factory/smart-factory.html>)

ArcelorMittal (MT): This global leader in steel production uses a **data-driven approach** to sales, leveraging analytics to predict customer demand and optimize pricing strategies. This has led to increased revenue and improved customer retention.

(<https://www.forbes.com/sites/patrickmoorhead/2023/02/28/arcelormittal-the-digital-transformation-of-a-steel-maker/>)

Commercelink (specifically for Steel): This **smart platform** (similar to Bazorg) provides features like real-time pricing, online order management, and logistics tracking specifically tailored for the steel industry. While not a broad raw material solution, it demonstrates the potential benefits of industry-specific tools.

(<https://www.thelinkcompanies.com/>)

Technology Providers



Salesforce (CRM): A leading provider of **cloud-based CRM** solutions, Salesforce offers features like contact management, opportunity tracking, and sales forecasting. (<https://www.salesforce.com/>)

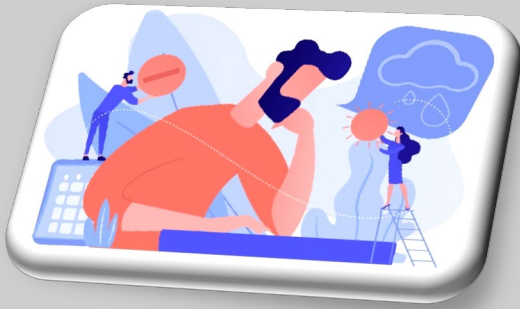
Zoho CRM: This comprehensive **CRM platform** offers features like lead management, quote generation, and workflow automation. (<https://www.zoho.com/crm/>)

Microsoft Dynamics 365 Sales: Part of the Microsoft suite, Dynamics 365 Sales offers **deep integration** with other Microsoft products and features like lead scoring, social selling tools, and customer service integration. (<https://www.microsoft.com/en-us/dynamics-365/products/sales>)

FedEx: This logistics giant adopted a data-driven approach to sales, using **analytics** to predict customer needs and optimize pricing strategies. This has led to increased revenue and improved customer retention. (<https://m.economictimes.com/small-biz/trade/exports/insights/there-is-need-to-make-global-supply-chain-smarter-through-digital-transformation-fedex/articleshow/89630904.cms>)

KomTrax (Supply Chain Management): This **smart platform** (system to provide tool for monitoring a variety of machine metrics such as location, operation maps, fuel consumption, and maintenance alerts) offers features like inventory management, transportation optimization, and real-time shipment tracking, which can be valuable for raw material sales with complex logistics. While not exclusively for raw materials, it highlights the importance of supply chain visibility. (<https://www.komatsu.eu/en/komtrax/login>)

Final words



To stay competitive and increase operational efficiency, I would like to suggest adopting **Forrester Digital Maturity Model 4.0**. This model places emphasis in short-term on operational agility (Integrated Digital Supply Chain Platform), in mid-term on customer experience (Self-Service Portals), and in long-term on technology-driven business practices (Machine Learning Model).

Integrated Digital Supply Chain Platform to integrate real-time tracking, inventory management, and logistics with predictive analytics. This can provide better demand forecasting and optimized resource allocation.

Customer Self-Service Portals to allow clients to place orders, track shipments, manage inventory levels, and access documents such as safety data sheets and certifications. Enhance the portals with AI chatbots for immediate customer service queries.

Machine Learning Models to predict trends in customer buying behavior, raw material availability, and price fluctuations. This can help in making more informed purchasing and sales decisions. It also can help with integration of dynamic pricing tools that adjust prices in real-time based on market demand, inventory levels, and competitor pricing. This can help maximize profits and improve sales strategies.