Digital strategies gain traction
Companies target improvements in innovation, customer experience, and efficiency

**Digitalization enhances R&D processes**
Evonik’s opening of Evonik Digital GmbH, which functions as an R&D department dedicated to innovating product technology and operation processes, and BASF’s addition of a digital global division earlier this year, depict the organizational transformation required to promote digitalization. Companies that commit to digitalization are bound to experience a faster lab experimenting process allowing them to innovate at a higher rate, as reported by McKinsey. This will increase company margins, add value, and promote market competitiveness. As Hahn said, digital has changed R&D by allowing “customers to find the right products faster, get technical information directly delivered on the spot, and identify the right person to interact with.” Companies will have to reallocate their funds to hire more software engineers and developers.

BAF exemplifies this change in human skill set required to make digital happen by opening a global digital division early this year and appointing Christoph Wegner chief digital officer, who will report directly to the executive board of the company. BASF plans on expanding the digital division by next year and renaming it “Global Digital Services,” to pool experimenting, research, and development into one department. This way the value added of using digital tools is made more transparent in the supply chain.

Accenture found digitalizing R&D processes speeds innovation by up to 15%, giving chemical distributors access to more data to improve product quality and conduct simulations of new products more efficiently. Some examples of how companies can implement digital to enhance R&D processes include developing new R&D data-driven business models, implementing applications for existing products, and increasing funding for innovation and research departments.

**Companies**