

Knowing what will count

Five scenarios of the future
of the specialty chemicals
industry

Björn Theis | June 27, 2019, Düsseldorf



Why a scenario project?

Increased volatility, uncertainty, complexity, and ambiguity

Many unanswered questions about the future

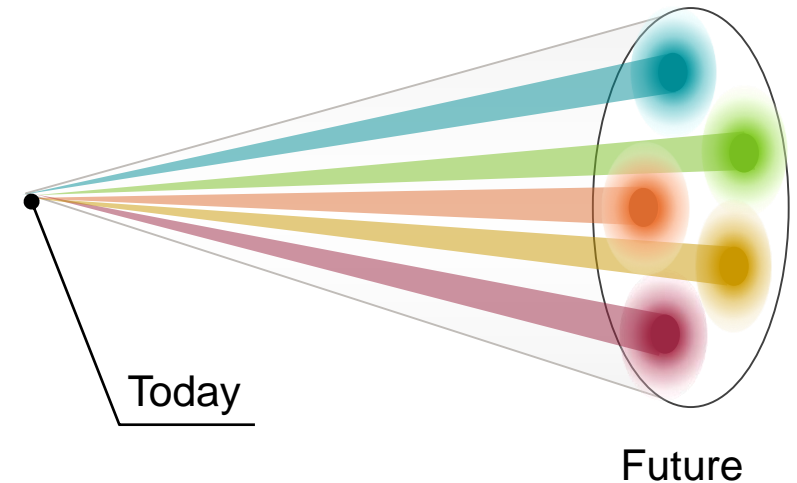
Scenarios are the best tool to address uncertainty

- Unexpected disruptions
- Shifts in competition
- Unpredictable geo-politics
- New feedstocks
- Emerging technologies
- Increasing price volatility

How will advances in digital technology transform the industry?

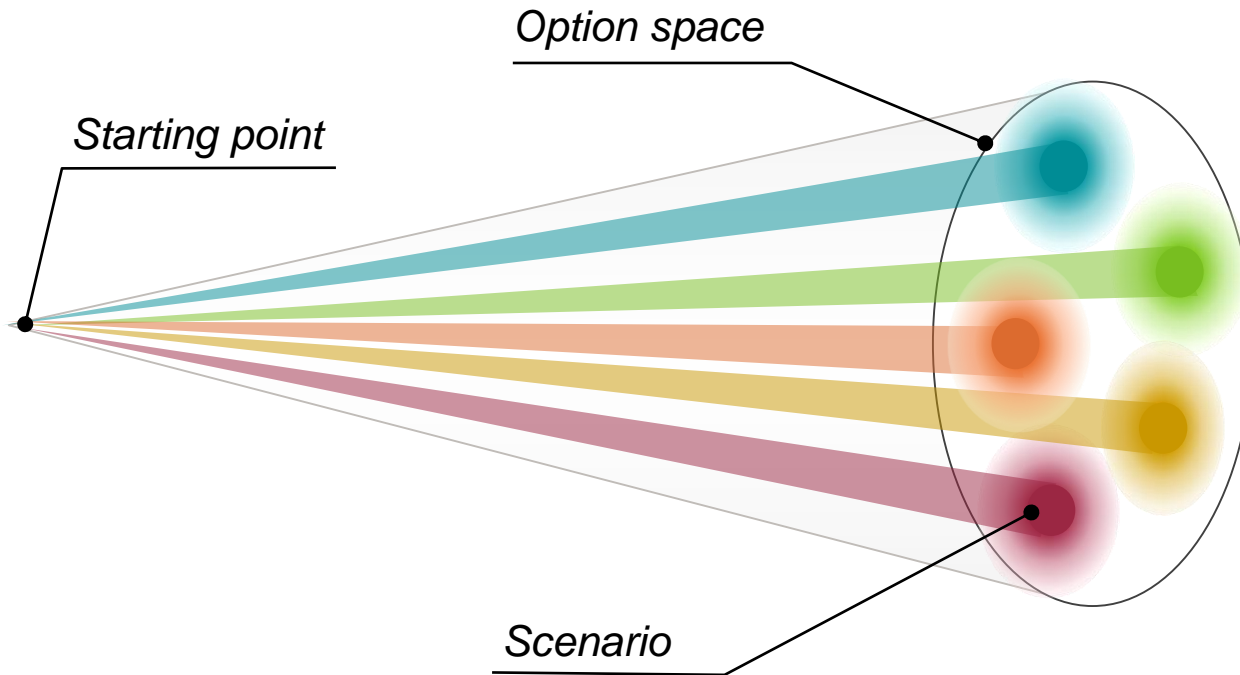
What would falling energy prices mean for the industry?

Which feedstocks will we use in the future?



What are scenarios and what can they do?

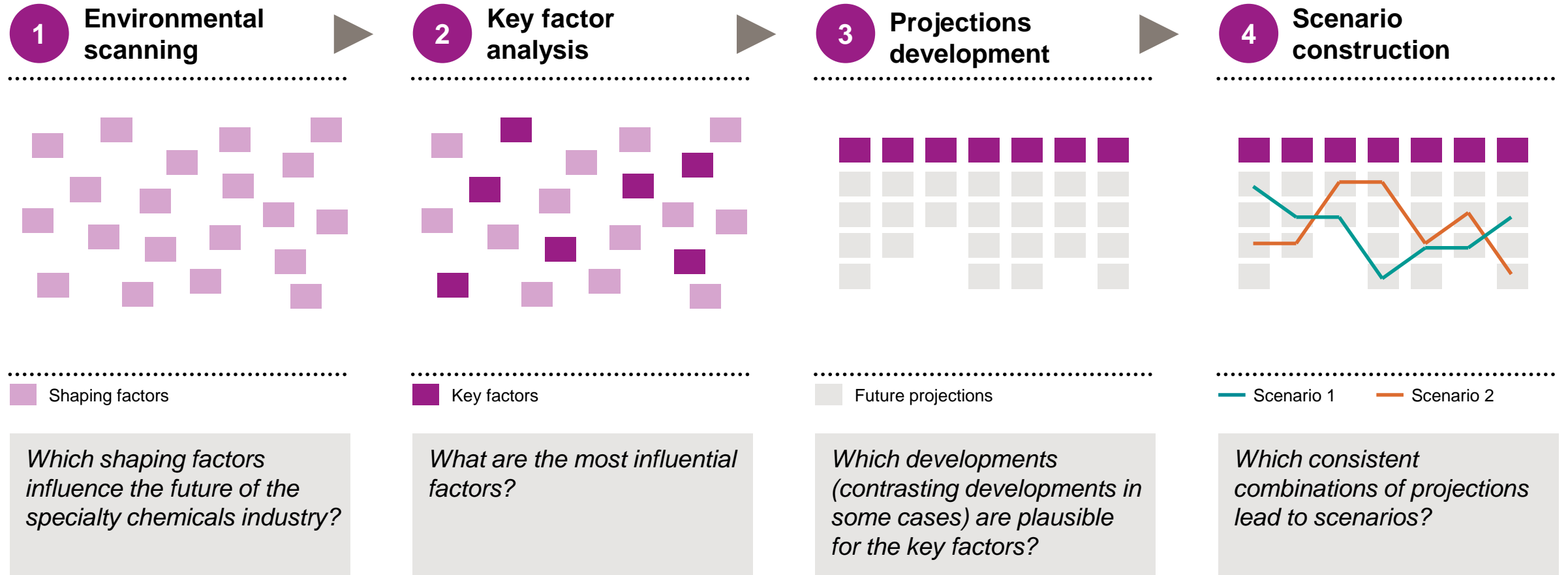
Scenario concept



Scenarios

- ... are consistent, **qualitative descriptions** of potential futures.
- ... **reflect** different and even contrasting **perspectives**.
- ... **together define the option space**, the boundary of foreseeable developments.
- ... are developed in a **structured process**.
- ... are **not forecasts**.

A stringent method: A four-phase approach to scenarios



Scenario 1

Deceptive Calm

- The world has changed, but slowly and gradually.
- Geopolitically, technologically, and socially, however, there have been no major leaps. Over the short and medium term, global economic growth will remain strong.
- The search for solutions for the major global problems has been a half-hearted effort, and the negative consequences are becoming all the more serious.



Illustration: Dave Hänggi

Scenario 2

Sustainability Paradigm

- Sustainability is the guiding economic principle of the global economy.
- Processes, products and business models of industry are becoming sustainable – for economical reasons – without waiting for global regulation.
- The ecological transformation has been completed – thanks to digitalization, biotechnology and cheap electricity from renewable sources.



Illustration: Dave Hänggi

Scenario 3

Digital Champions

- The global digital champions have made use of their knowledge and their enormous resources to penetrate traditional sectors.
- They have filled the customer interfaces and captured significant parts of the added value of the old industries.
- Horizontally networked and closed ecosystems dominate the markets.



Illustration: Dave Hänggi

Scenario 4

Turbulent Times

- Growing nationalism worldwide has led to de-globalization and decreasing international solidarity.
- Replacing the liberal world order is a conflict-loaded, multipolar order.
- Societies are extremely polarized. Populist, authoritarian governments have pushed back democracy, free press and an independent judiciary.



Illustration: Dave Hänggi

Scenario 5

Chinese Dream

- China has risen to become a global superpower and the first eco-civilization.
- The country is a cultural, political, military and environmental protection leader.
- China's long-term strategic plan "Made in China 2025" is working – Chinese companies are leaders in key technologies in the world market.



Illustration: Dave Hänggi

What follows the view of the future?

Scenario project summary

- Shows an option space for the future of specialty chemicals up to 2040
- Extends the action framework for strategic innovation planning

Next steps

- Implementation of Future workshops in the different units of Evonik, including lines of business, regions
- In-depth analysis of the influence of the scenarios on the innovation field, business models, customer expectations, the working world, and material flows

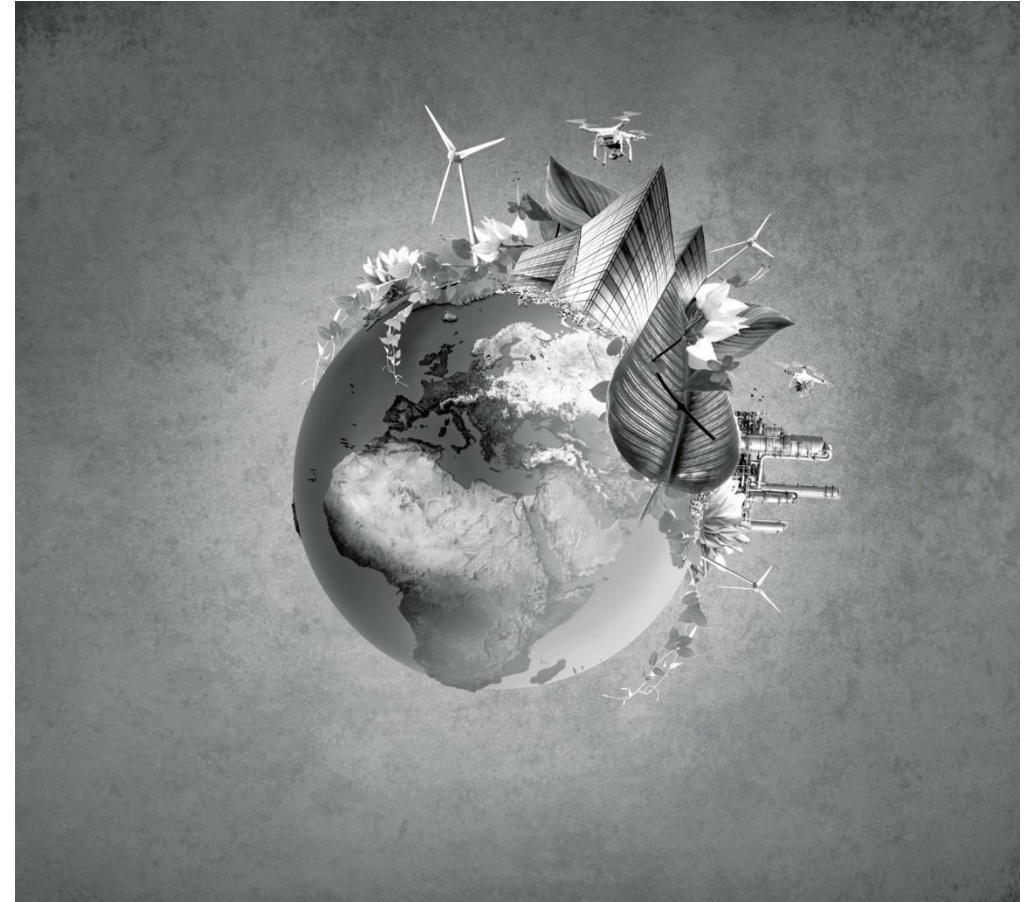


Illustration: Dave Hänggi



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