



## OVERCOMING BARRIERS TO DIGITAL TRANSFORMATION

**Dmitry Konov** shares his experience in digital projects.

SIBUR extensively uses digital solutions to make its production and business processes more efficient. In late 2017, the Company announced digital transformation underpinned by advanced analytics tools, mobile apps, and new technologies. As for now, SIBUR has already implemented dozens of proposed solutions for process digitalisation. Dmitry Konov, Chairman of the Management Board at SIBUR Holding, shared his experience in implementing digital initiatives at the panel session titled Time for Change. Strategic Change Management in Companies of the Open Innovations Forum at Skolkovo.

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He believes that digitalisation of petrochemical industry is inevitable though it became digitally mature later than retail, media, and banking.

All initiatives introduced by the Company since the beginning of its digital transformation have been broken down by types of implementation tools selected, possibility to be deployed at pilot facilities, and establishment of cross-functional implementation teams. Dmitry Konov emphasised that digitalisation is not just about creating an algorithm. It impacts technology, processes, and process audits.



*Dmitry Konov and Maxim Oreshkin, Minister of Economic Development of the Russian Federation, at the Open Innovations Forum. Photo by Pavel Kassin, TASS photo hosting agency.*

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## DIGITALISATION OF PETROCHEMICAL INDUSTRY IS INEVITABLE THOUGH IT BECAME DIGITALLY MATURE LATER THAN RETAIL, MEDIA, AND BANKING.

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However, few of the process digitalisation projects have come to fruition as expected. They were hindered by the lack of common view of the deliverables, unstable customer demand, extensive project replication during the piloting phase, limited development and implementation resources, and, sometimes, incorrect prioritisation of digital initiatives.

Dmitry Konov proposes the following solutions to overcome these barriers: first, to establish management patterns in a manner making innovations an integral part of people's life and work. "If we launch a new project, the shift manager must make weekly assessments and observations of its progress together with the personnel, say what needs improvement, find people who can do it, and follow up such project over a long period of time. Failing this, the new tool's effectiveness will fade. It is impossible to fine-tune and improve the project without continuous feedback," said Dmitry Konov.



*Dmitry Konov speaking at the New Innovations Forum.*

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There is another way to go digital: to revise and discard old approaches. “When you implement something you have to reject something. This is especially true for digitalisation,” added Dmitry Konov. “For example, if we introduce digital process optimisation, which instructs the operator, we have to reject the operator’s process KPI used previously.”

According to Dmitry Konov, the third and final step towards digital project implementation involves personnel training in much greater numbers than actually required for operating new digital tools. “For new initiatives, we create a radically different operating environment, and it’s vital for employees to be ready to adapt to it. Unless they are prepared for using the new tools, the implemented solution loses 50% of its effectiveness,” said Dmitry Konov.