



Performance on Demand

Procurement Solutions for Investment Projects



INNOVATION

ENGINEERING

OPTIMIZATION

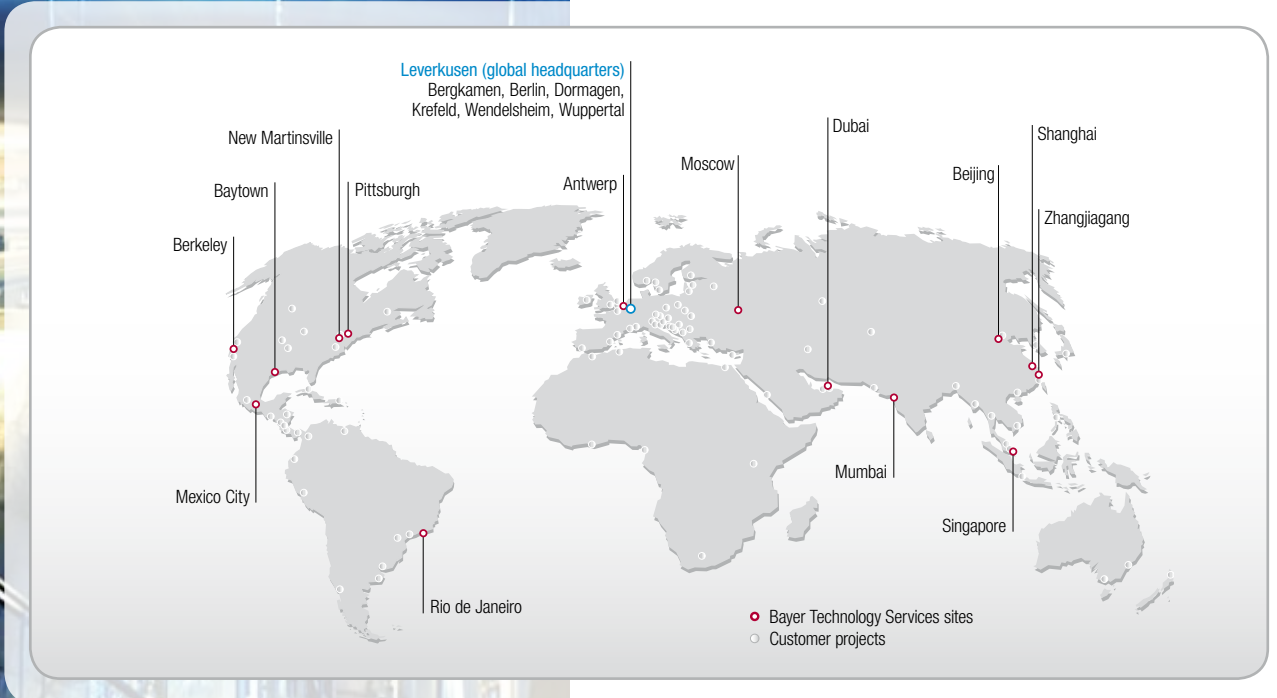


BAYER TECHNOLOGY SERVICES

Bayer Technology Services is the technological backbone of the Bayer Group and prides itself on providing high-performance and practical technology solutions for production plants. Our 2,700 experts from a wide range of disciplines develop, realize and optimize international projects worldwide based on decades of experience in a global corporation and comprehensive engineering know-how.

Our expert engineering services include the development, planning, construction and optimization of processes, methods and plants, including the full range of procurement tasks.

“ We are a driving force – for solutions that guarantee your success! ”



PERFORMANCE ON DEMAND –

How we solve your procurement problems

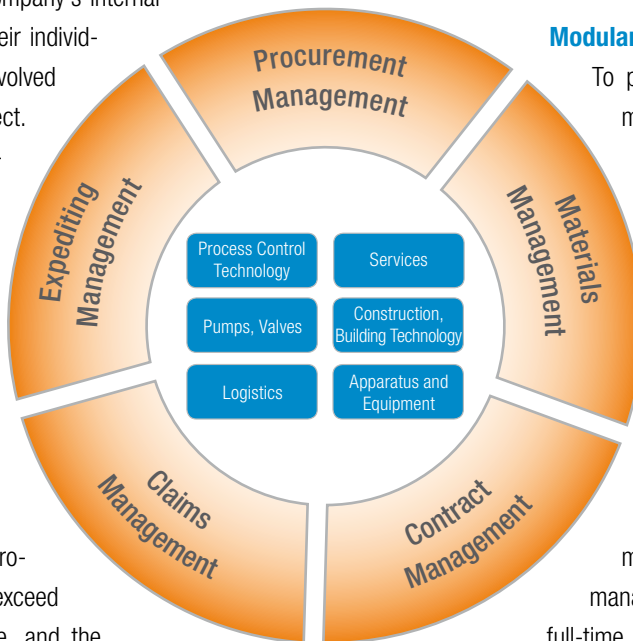
In an industrial environment investment projects are one-time events. They generally represent major milestones in the growth of the company and place an enormous additional burden on the organization, especially in smaller and mid-size companies.

Project developers, planners, architects and finance specialists are brought in as outside service providers to ensure the success of the project. But the company's internal departments, depending on their individual functions, must also be involved in the realization of the project. The heaviest load is on the procurement organization, which in addition to its sometimes grueling daily activity is also expected to handle and execute procurement activities for the investment project.

Avoid excess capacity and shortages

The demands placed on the procurement function frequently exceed the human resources available, and the detailed technical knowledge required for the successful procurement process is often lacking. For economic reasons, only under certain conditions can the hiring of additional personnel be justified because the company will necessarily be left with excess capacity after the new plant is commissioned. It may not be possible to permanently employ experts in specific procurement processes, such as a highly specialized specialist buyer or contract specialist, after the investment project has been

completed. As the purchasing arm of an international engineering company, the procurement organization of Bayer Technology Services is not only optimally set up in terms of its organization and human resources, it also has extraordinary technical and commercial expertise. Why not make these resources available to other companies with similar requirements on a strategic, operative and consulting basis?



Modular portfolio of services

To provide needs-oriented procurement solutions, Bayer Technology Services offers you individually designed service modules which can be customized to meet your specific requirements: Full Service, Process Support Service, Single-Task Service and Consulting Service. You thereby assure yourself of access to attractive new procurement markets, perfect contract management, structured purchasing, full-time expediting and extensive claims management, through startup and beyond.

Call or write us. We will be happy to schedule a non-binding meeting and give you a personal presentation of our concept: Performance on Demand.

Range of Services Available from Bayer Technology Services

Full Service



From the analysis of requirements to expediting
We take over the entire procurement process for your investment project.

Process Support Service



Stepping in at the right time
We take over the procurement process at some point and stay with it to the successful completion of your investment project.

Single-Task Service



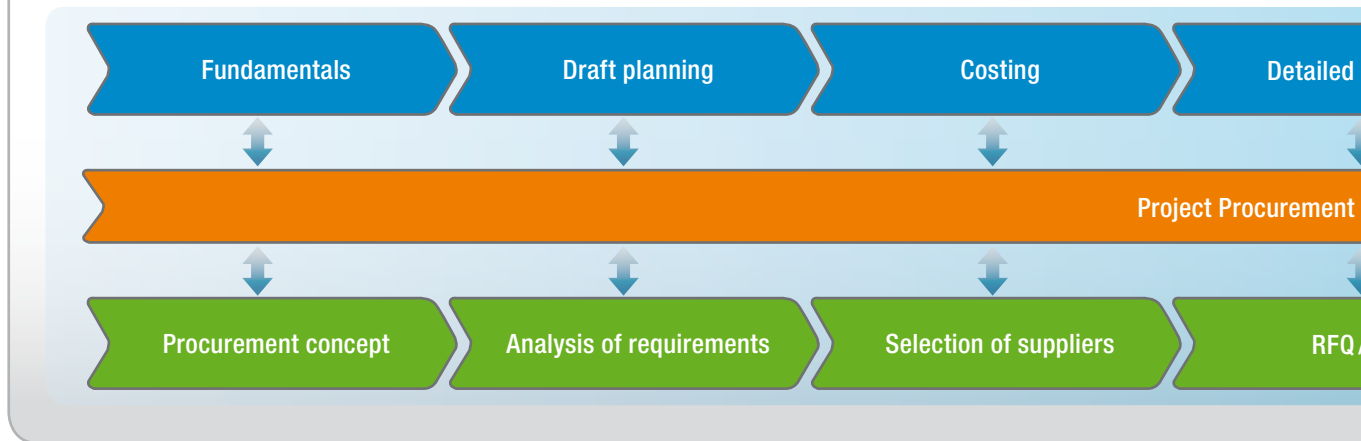
Need specialized expertise or more resources?
We assume individual tasks in the procurement process for your investment project.

Consulting Service



Process Design – Methodology – Review of Completed Projects
We advise you on the planning and realization of the procurement process for your investment project.

Your Investment Project



Human resources

Do you have sufficient human resources in procurement?

In the various phases of the procurement process, your human resources needs change constantly along with the necessary infrastructure, from materials experts through specialist buyers to contract specialists and quality auditors. The project team must have access to a wide range of types of expertise. But it is not always possible to plan exactly who has to be available when. A generously proportioned team would be one solution, but at a high cost.

Project experience

Do you have sufficient internal project experience?

In addition to purely technical expertise on the part of your employees, the implementation of large investment projects also requires appropriate project experience. The efficient and targeted use of planning instruments plays just as large a role as overall cost controlling – professional interface management prevents potential conflicts. That's because gaining on on-the-job experience on the current project may be good for the individual but is expensive for the company.

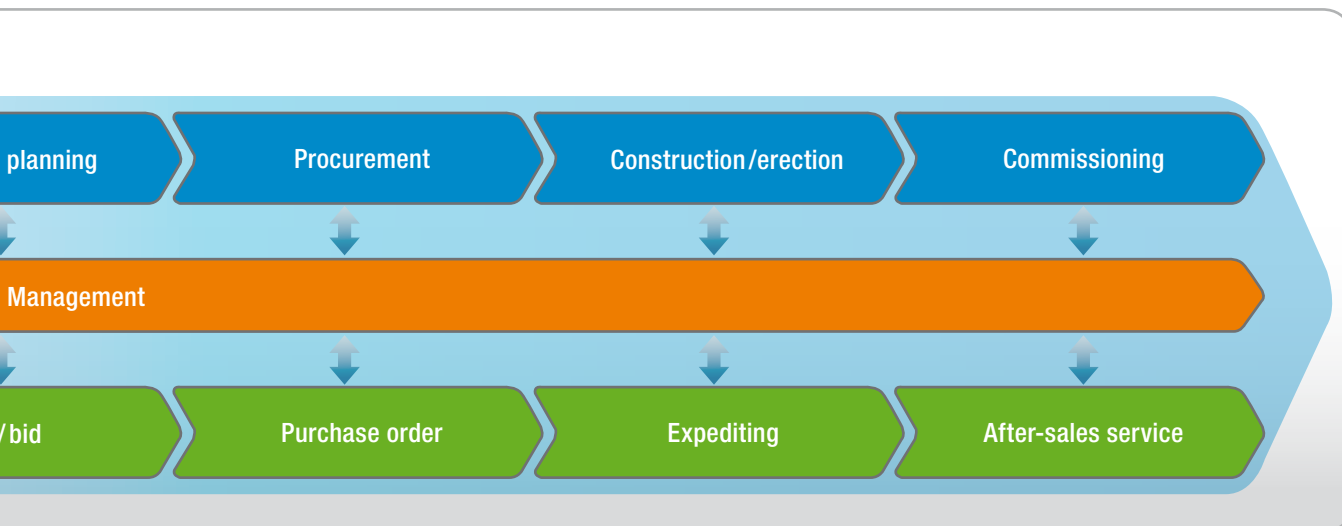
Strict requirements for

Project controlling

Do you have all the know-how required for effective project controlling?

Even with the best-laid plans, external conditions and the progress of the project are subject to constant change. That requires rapid and above all appropriate action, from the logistics concept through scheduling to contractual and fiscal conditions. Specialists in all areas of procurement and technology must be available at all times. It is frequently necessary to consult other project partners who are themselves under great pressure to get things done.

Look here for the right solutions ... ➔



Your current investment project: demanding procurement requirements

The realization of investment projects in an industrial environment sets demanding requirements for technical procurement and requires engineering know-how and experience in project execution, from the procurement concept through order management to the delivery of the contractual products or services.

Day-to-day operations takes priority

In practice, the investing company is often unable to handle the enormous scope of these one-time project-related procurement requirements using only its internal procurement organization. Project times averaging 1 to 2 years and investment volumes of 5 to 20 million euros – sometimes higher – can also be difficult to integrate into your daily business. Procurement processes for day-to-day operations necessarily take priority and therefore unintentionally interfere with the speedy and professional implementation of the investment project.



Strong pressure to act as a result of extreme external conditions?

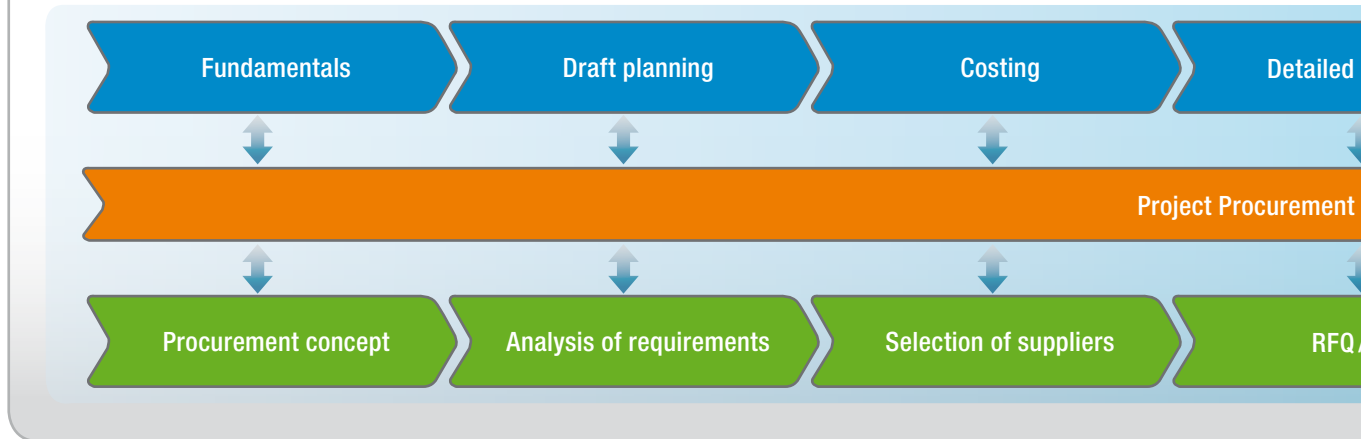
Investment projects are frequently under severe pressure as early as during the development phase. Tight schedules, legal requirements and changing quality requirements all have an effect on the required size and composition of the Procurement team. Economic developments, including developments in international procurement markets, also have an effect on the commercial conditions under which the investment project is carried out. Budget restrictions and time pressures can seriously challenge the internal procurement department.

Demanding requirements resulting from international purchasing activities?

The procurement of materials with special performance requirements or in large volumes requires comprehensive knowledge of global markets, but that's the only way to find the right supplier and get the best price. Supplier audits, in-house project experience and evaluations are invaluable in a one-time special procurement situation for a specific project. From the point of view of the conduct of negotiations and international business, standard protocols, contracts and bid specifications also make essential contributions to a smooth and successful procurement process.



Your Investment Project



FROM THE ANALYSIS OF REQUIREMENTS TO EXPEDITING

Full Service: We take over the entire procurement process for your investment project



You would like to have project procurement handled entirely by an outside service provider?

In that case, Bayer Technology Services has just the solution for you. We plan the necessary procurement process to meet your needs exactly and assemble the right team for you.

Whether the domestic or international procurement market, custom solutions or mass-produced, we offer a full range of services with exactly the right procurement experts your individual situation demands.

For complicated technical requirements, our buyers are assisted by specialists from our technical departments. Experts from our Contract Management department are available to handle all contractual issues.

Which departments are involved in a full procurement solution?

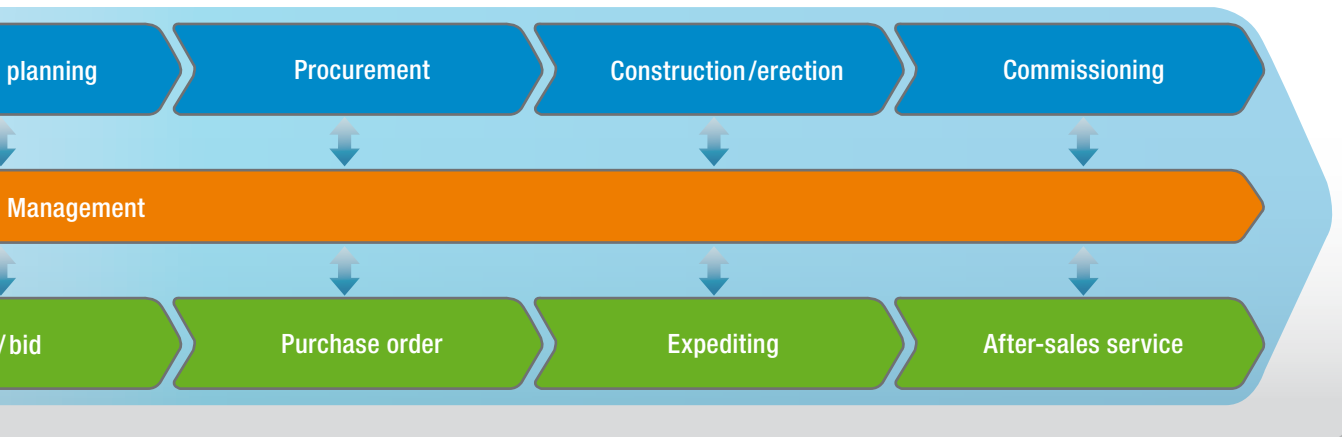
In the context of the procurement process, you will receive support from specialists in all our specialty purchasing groups, including:

- Apparatus, Machines
- Services and Service Contracts
- Infrastructure, Disposal, Logistics
- Construction and Building Technology
- Pumps, Valves, Semi-finished Goods
- Electronics, I&C, Process Analysis Technology
- Erection and Pipeline Construction

What are the advantages of a full-service contract?

During the realization of your investment project, Bayer Technology Services assumes full responsibility for the control and implementation of the entire procurement process, provides all the necessary personnel and the required expertise, and reduces the interfaces to a minimum.

We work directly with your project management and other service providers and keep you continuously involved in the results. You receive presentations ready for decisions, status reports and test reports promptly and in the specified scope.



PROCESS DESIGN – METHODOLOGY – CONTROLLING SUCCESS

Consulting Service: We advise you on the planning and realization of the procurement process for your investment project



What is particularly important in the development and optimization of procurement processes?

Greater efficiency and economical execution are central tasks in the development and optimization of procurement processes. As the interface between the customer and the suppliers of materials and services, the procurement unit is therefore an important lever in the success of an investment project.

The objective of optimized procurement is to achieve a balance between the time and effort put into procurement, successful purchasing and the value of the product or service to be procured.

What is the right time for process optimization?

You should answer the most important questions with the support of our procurement experts as early as during the planning phase of your investment project. This is where the cornerstone for the success of the overall project is laid.

- What are the concrete objectives of the project procurement?
- What role do procurement and expediting play in the schedule?
- What resources will be needed and when?

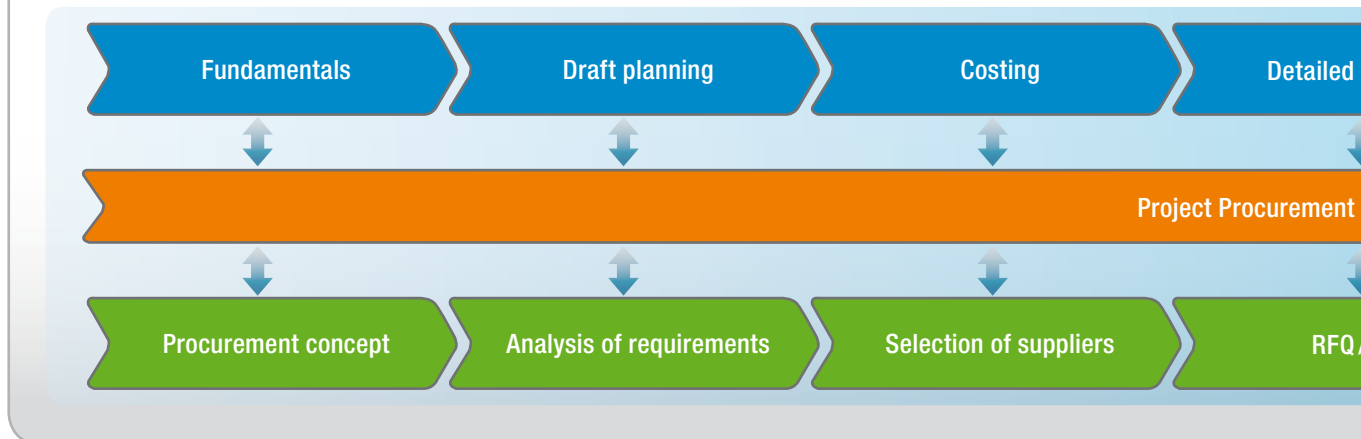
- What special types of expertise are required?
- Do your purchasing processes fit your investment project?
- At what points would outsourcing make sense?

What is the role of experience and methodological expertise in consulting service?

From the many engineering and procurement projects we have completed, we have acquired extensive methodological expertise and extraordinary practical experience. Methodical approaches can be improved and made even more efficient only by consistent, day-to-day use in projects and procurements.

Our consultants have outstanding technical know-how and their expertise has already been put to the test on an international stage.

Your Investment Project



STEPPING IN AT THE RIGHT TIME

Process Support Service: We take over the procurement process at some point and stay with it to the successful completion of your investment project



Your procurement organization has begun with the realization of the investment project, but is it unable to continue the process?

There can be many reasons for the potential overload on your own purchasing organization:

- Overtaxed by day-to-day activity/ increases in production
- Expansion of your own market activities
- Expansion of the volume of your investment project
- Unplanned personnel changes/ fluctuations
- Bottlenecks in the technical and /or commercial organizations

We are intimately familiar with the realization of procurement processes and have extensive experience on projects of all sizes. We can therefore step into an ongoing procurement process at any time and bring it to a successful conclusion for you.

How does the handoff take place?

When we step in, we are bound by a common objective – the smooth and successful continuation of the investment project. First we identify all the necessary interfaces, determine the required scope of services and prepare a plan of operations. We assemble the right team for you, establish a functioning flow of

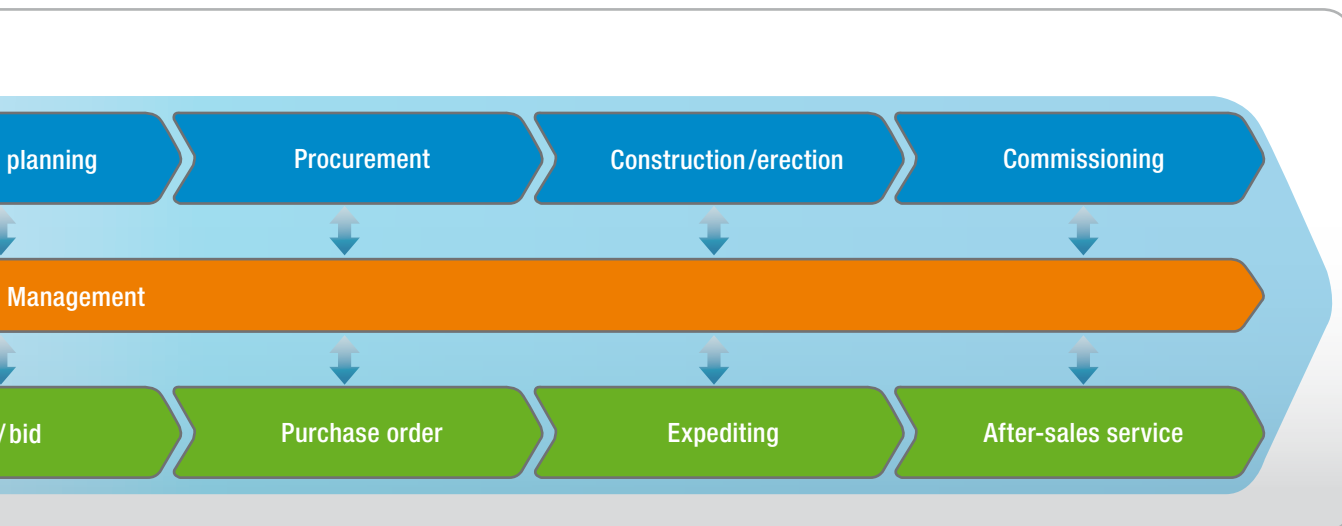
information and set up the necessary procurement organization. The project is then realized on the basis of joint budget and milestone planning.

How does a step-in work in practice?

In the framework of the individual scope of service you have requested, we adapt our service as closely as possible to your existing structures and processes. You determine which services will remain in-house and how and where the other tasks will be carried out. We can execute the procurement activities for your project directly in your own procurement/order system to maintain the consistency of your data and process. On request we can also handle the entire procurement process via our systems. When necessary to improve procurement processes, we supplement workflows with special tools for project management, contract management or expediting.

“ Our objective is the success of your project. Our skilled and dedicated procurement experts will see to it. ”

Dr. Klaus Hesselmann
Head of Procurement Services



NEED SPECIALIZED EXPERTISE OR MORE RESOURCES?

Single-Task Service: We assume individual tasks in the procurement process for your investment project



For which parts of the procurement process is our Single-Task Service appropriate?

The spectrum of services offered by Bayer Technology Services covers the full procurement process. You can also assign individual tasks to our specialists at any point during the procurement process:

- Market research and preparation of bid specifications
- Analysis of requirements and bids
- Negotiations
- Supplier evaluations
- Operative ordering processes
- Expediting
- Handling of claims and warranty claims

Potential reasons to call on our procurement experts might be, for example:

- You lack access to special – i.e. including international – procurement markets. We can represent you with our sourcing teams in all markets worldwide, where we already have extensive contacts.
- Procurement requires particular technical know-how. We have qualified specialist buyers who have direct access to our specialist engineers whenever necessary.
- You want to buy internationally or take advantage of the conditions available to volume purchasers. Our purchasing organization bundles requirements and enters into master agreements with advantageous price and delivery terms.

In which situations is single-task support appropriate?

There are a great many situations in which single-task support can be successfully employed, but there are no restrictions. The scope of service is determined by the concrete requirement and the occasion.

What does concrete cooperation look like?

Together with your purchasing organization, we define the exact scope of the expertise and resources you need. Depending on the statement of task and scope, we make the necessary experts available to you. Working closely with your project management, we then carry out the tasks – if necessary directly on site within the project – in a targeted fashion. We will keep you fully informed of all our actions, if desired.





THE PROCUREMENT TEAM

Our experts: skilled and experienced

The success of your project depends on a quality procurement solution, just as the quality of our service depends on the capabilities of our employees. Qualified professional training and many years of professional and project experience are essential requirements for all our procurement specialists. Working in teams and in an international environment are things we do every day. We are accustomed to rapidly finding our way in new project situations and consistently employing methodical work processes.

The composition of the team varies with the task at hand:

- Consultants – repositories of our know-how for everything relating to the development of the procurement process
- Specialist Buyers – with an engineering and technical background for operative implementation
- Contract Specialists – experienced contract managers with an eye for detail
- Expeditors – our experts in monitoring and controlling schedules

The particular benefit to you is that the procurement team working for you always has exactly the technical and human resources that the execution of your project requires. The procurement team is supported as required by experienced specialists from other parts of the company: controllers, specialist engineers and technical planners as well as materials experts and QA/QC specialists, to name just a few.

“ What sets us apart is the high level of practical experience we gain daily in international procurement projects. ”

Dr. Michael Burmeister
Head of Project Procurement



“ We consistently orient our procurement solutions to our customers’ requirements. ”

Dr. Günter Löffelmann
Head of Global Procurement

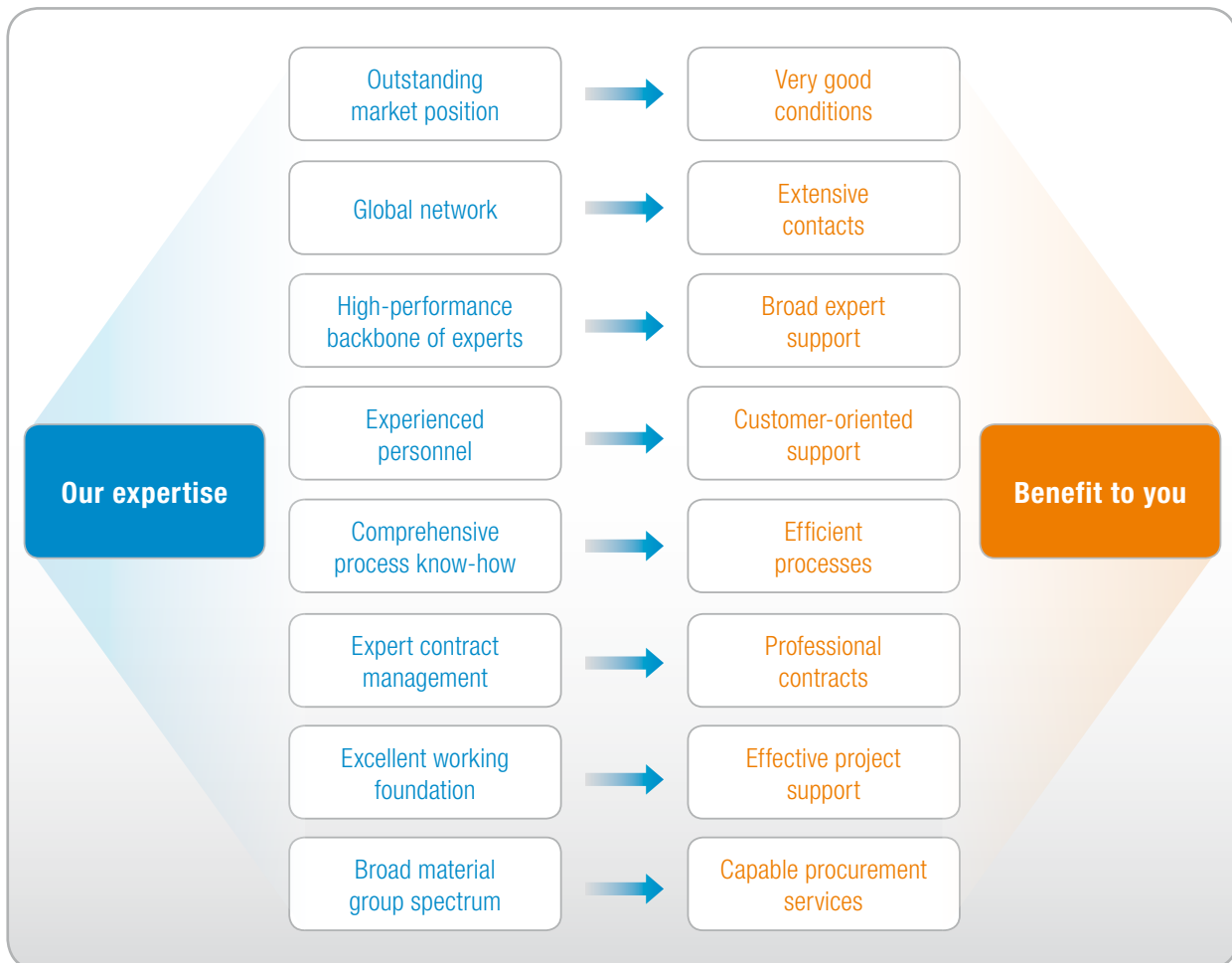


Utilizing our strengths

As the procurement arm of an engineering company that does business internationally, we have extensive human resources and the corresponding areas of expertise to cover the complete procurement process. These factors also make us an excellent starting point for close cooperation with small and mid-size industrial companies. We are prepared to provide support wherever extra capacity, procurement expertise or process know-how are needed.

Our objective is to utilize our strengths and expertise to improve your procurement processes and achieve the maximum benefit for you, getting you exactly what you need exactly when you need it.

“ We call it Performance on Demand. ”





Bayer Technology Services

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