

Staying Ahead in the Digital Age

An Interview with Helen Arnold,
Chief Information Officer, Chief Process Officer, and Member of the Global Managing Board, SAP



Helen Arnold

EDITORS' NOTE *Helen Arnold was appointed to the Global Managing Board in May 2014. Arnold headed Business Innovation and Application Services from 2014 on, and led SAP cloud delivery from May 2014 to March 2015. From 2012 to 2013, she headed Enterprise Analytics & Innovative Solutions at SAP. Before that, she held various positions within SAP, including business controller for the Global Consulting Organization and COO for Global Controlling. She began her career in the finance department at Lafarge (Canada) before joining SAP in 1996. She holds a Master's degree in Business Studies from the University of Applied Sciences, Ludwigshafen.*

COMPANY BRIEF *As market leader in enterprise application software, SAP (sap.com) helps companies of all sizes and industries run better. From back office to boardroom, warehouse to storefront, and desktop to mobile device, SAP empowers people and organizations to work together more efficiently and use business insight more effectively to stay ahead of competition. SAP applications and services enable nearly 300,000 customers to operate profitably, adapt continuously, and grow sustainably. SAP is listed on several exchanges, including the Frankfurt Stock Exchange and NYSE.*

Would you discuss how critical innovation is to the culture of SAP and how it serves as a differentiator for the business?

Innovation is of prime importance to SAP. We have seen how companies that were once leaders in their industries have been innovated out of the market by young disruptors. Technology is no longer just the thing that helps companies improve their business; it is now the thing that helps them stay in business. At SAP, we recognize that in order to survive in the digital age, we have to transform – and fast.

The great disruptor for SAP is the cloud. Combined with SAP HANA, the cloud brings a fundamental industry change that provides software consumers with seamless ease of consumption and powerful real-time applications. For SAP, this has brought about both a cultural and a mindset change. We have learned to be faster and more agile and, crucially, to let go of old processes that slow us down – so that we are able to adopt the new innovation that the meeting point of cloud and SAP HANA brings us. With the new generation of consumers expecting simple, intuitive solutions, we put the user at the center of everything we do. We are creating brand new user experiences and mobile solutions that harness the power of SAP HANA.

The differentiator for SAP is our ability to pull all of these technologies together and offer them to our customers as a way to innovate their businesses for the digital age.

With the size and scale of SAP, is it challenging to maintain the innovative edge and how do you ensure that innovation remains at the forefront of SAP's culture?

While it is sometimes challenging to maintain that innovative edge, we thrive on challenge at SAP and we know that digital transformation is essential to our survival. Every SAP employee knows this – and we are hard-coding it into our culture by celebrating innovation behavior, by rewarding teams that come up with innovative solutions, by cross-pollinating with students and start-ups, and by holding hack days and

innovation jams. We recognize that in order to stay ahead in the digital age, company culture is as important as the solutions we produce, if not more so.

One of the skill sets we have encouraged is the use of design thinking methodology. This is the perfect example of the skills necessary for the digital age: fail early and often, iterate many times, don't fall in love with the outcome, put the user in the center of everything. We have to provide consumer-grade experiences, and so everything we produce has to be user-centric.

Every year, in light of our heritage, we issue a founders award for the teams or individuals that demonstrate these core values of our company. It is one of the most prestigious awards in the software industry and teams compete eagerly for it, which contributes tremendous value in terms of innovation to SAP. For this year's Hasso Plattner Founder's Award, a joint team of global and cross-functional finance experts organized themselves as a start-up and worked on a game-changing payment solution for businesses. The winner's team launched AribaPay and completely redefined how B2B is done.

How critical is the adoption of SAP's solution portfolio internally to match SAP's cloud and platform strategy?

It is vital. My IT teams are spearheading those changes internally – we are in the cloud, we are mobile, we are nearly five years in with using SAP HANA, and we have just started using SAP Digital Boardroom for our executive meetings. At every point along our journey, we deliver business value to SAP – and we provide proof points for how our customers can do the same. By providing the leading-edge technology that helps our business to perform, we support SAP's business growth and digital agenda.

How has the role of the CIO evolved and how do you define the role today?

In the digital economy, it is crucial that CIOs now lead innovation. The CIO is no longer focusing on just keeping the lights on or on delivery. I have amazing teams – some that are strongly focused on operations and keeping things running, and others that focus on delivering innovation. I make sure that those teams are in constant cooperation. We call this bimodal IT.

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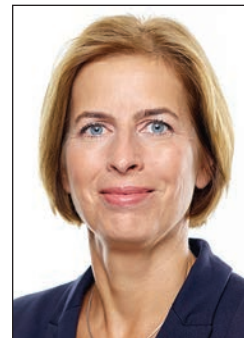
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We collaborate to ensure that any software we deliver to the business is user-centric and innovative, and delivers business value.

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Co-Innovation

**An Interview with Tanja Rueckert,
Executive VP Internet of Things (IoT) & Customer Innovation, SAP**



Tanja Rueckert

EDITORS' NOTE *Tanja Rueckert has held her current post since July 2015. Prior to this, she was EVP and COO Products & Innovation; EVP and COO Development for SAP SE; EVP, Head of Quality Governance & Production; SVP, Head of Quality Governance and Production; and SVP, Head of Production Unit. She has a Ph.D. in Chemistry and Base Study Economics from University of Regensburg.*

How you define your role at SAP?

We've decided to bring all teams focusing on Internet of Things into one development unit together. We are a technology enabler and we bring a strong knowledge of business processes and more than 40 years of business experience, but in many cases we learn from our customers directly. This is why we feel innovation together with the customer is a key principle for developing future IoT groups.

Would you talk about that relationship and how you work with customers regarding that co-innovation?

I have many strategic development customer sponsorships. We talk about strategic digital transformation roadmaps together with our key customers, and those discussions might result in a project in my own area or in the areas of my peers.

Also, as part of our strategic initiative, we have several industries we are focused on, like manufacturing, where we have core customers handled by our sales force and solutions teams who come back to the office to help us define transformation. We start working with them via a co-innovation approach using some of our standard solutions in IoT along with customer-specific additional add-ons, so they can keep their competitive advantage in a customer specific format.

Finally, we develop completely new applications together with customers. For example, our key strategic customers for SAP have indicated they want to go into a smart safety solution next year. We will work to co-innovate with them. This way, we can make sure the customer feedback is already in the solution before it is launched for the first time and officially released.

Do you look at that co-innovation customer relationship as a key differentiator for SAP?

Our customer relationships are our key differentiator. It's also how we work with our customers and how we think about partnerships – which is sharing risk and success. This results in trust and openness. We're not just selling a solution and then sending them off.

This is in the DNA of SAP and it's something that our customers feel. We always work at keeping our promise and we take it very seriously and customers feel this.

How important has it been to SAP to build a diverse workforce?

With a diverse customer base, it is really important to think about being in their shoes. This is something that tends to be easier for women.

We are a technology company. Innovation and thought leadership are keys for our success and for our survival, and I believe diversity and innovation is a combination that cannot be separated. ●

However, it should be noted that I have a double role at SAP. I am also the Chief Process Officer, and the natural meeting point between the CIO and CPO roles is innovation excellence. Therefore, they are twin roles – two sides of the same coin. Bringing together processes and technology means the speed of change is hugely different. When we look at end-to-end business innovation, it always starts with process design, and then we rethink and innovate our processes.

With my role, leading innovation and transformation at SAP, I am able to guide and advise other CIOs about how best to lead innovation and transform their companies for the digital age.

How important is it for you to work closely with the business lines to ensure that SAP software is user-centric and innovative?

My leadership style is collaborative and based on teamwork. It is essential that I model this behavior since, in order to drive innovation at SAP, it is crucial that my teams collaborate and co-innovate with development and the business. We co-innovate on new software solutions and we implement them so that SAP is its own first and best reference customer. This is a joint journey with the business and requires collaboration across all different roles and all different functions across an organization to make business innovation happen. We collaborate to ensure that any software we deliver to the business is user-centric and innovative, and delivers business value. Any enhancements my teams create benefit our internal customers as well as any customers who buy SAP software.

SAP has a diverse workforce. How critical is diversity and inclusion to SAP's success?

Diversity is crucial to our success. Innovation requires different skill sets and different viewpoints. By focusing on diversity and inclusion, we ensure that we have the kind of workforce we need to innovate and grow. We have a wide range of programs in place to address this – both centrally and in the regions – and we have clear targets of how many women we want to have in leadership positions by 2017.

What advice do you give to young women starting their careers and are there opportunities for women to grow and lead in your industry?

I encourage women to seek mentors, to actively pursue leadership roles, and to be open about their ambitions. Just as there are differences between men and women, there are differences between individuals. I advise everyone I mentor to know their strengths and play to these.

There are certainly opportunities for women to grow and lead. In my teams alone, I see some amazing young women who are leading technical projects and this is the case across the whole of SAP. With increasing digitalization and tighter innovation cycles, women are carving out roles for themselves in their company's innovation journey – understanding what and how their companies need to achieve on a strategic level and making sure they play a key part in that journey.

What makes SAP so special for you?

I have seen SAP grow and change so much over my 20-year career here. SAP was founded 43 years ago by five people and we now have over 75,000 employees. However, despite that incredible growth, SAP still maintains the qualities that our founders had – of courage, innovation, and entrepreneurship. This is what makes it special for me.