

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.

■

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.

■

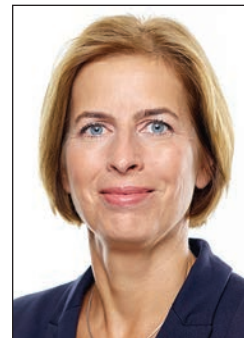
■

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

■

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.

Transformational Change

An Interview with Torie Clarke,
Senior Vice President-Global Corporate Affairs, SAP



Torie Clarke

EDITORS' NOTE Torie Clarke has held her current post since July 2013. She was previously Senior Communications and Government Affairs Adviser at Comcast since 2004. Prior to that, she was U.S. Assistant Secretary of Defense for Public Affairs and Pentagon spokesperson under U.S. Secretary of Defense Donald Rumsfeld. Clarke also served as Press Secretary for former President George H.W. Bush's 1992 reelection campaign; an adviser to Sen. John McCain (R-AZ); an assistant U.S. trade representative during the first Bush administration; and GM of Hill & Knowlton's Washington, D.C. office.

What excited you about this opportunity at SAP and made you feel it would be the right fit?

SAP is at a very unique moment in its history and in the broader context of where the industry is going. There are tremendous opportunities if we transform appropriately. SAP can not only be the leader in the industry but can take the industry in new and different directions that it hasn't even considered yet.

I'm less interested in companies that are hugely successful and happy where they are. Start-ups are attractive but it's a specific kind of activity. This is a much bigger challenge.

From an employee perspective, do you feel that an adequate understanding of this transformation is in place?

Increasingly so. The biggest challenge when dealing with a huge transformational progression is making sure employees really understand what's happening. The most successful organizations are those in which the people really grasp the mission and intent. It's the responsibility of leadership to convey that, so they understand their role in it.

When you're going through this type of transformational change, does it ever end?

No. Transformation might not be the right word because it indicates an end state. We can't even define our industry when it comes to the changes that have occurred over the past 10 years. We're not really sure where this is going but we know we want to be at the head of it, which means we have to embrace the notion of change as the constant, and that's hard. It's less about transformation and more about transforming.

How do you define your role and how important is it that that role is such a part of business strategy now?

One thing I really enjoy is helping people move outside their comfort zones. It's important to build and maintain meaningful relationships with the right policy makers around the world, and that takes time and digging in deep with them. I'm good at helping people move into those areas they might not be comfortable in.

The second focus is integration. The most successful organizations are the ones in which they fully integrate the relevant parts and pieces of the company. I try to fully integrate the substance of the business with the other parts and pieces that are important to success now, so integration is a really important part of what I'm trying to drive. ●

Driving Growth

An Interview with
Maggie Chan Jones, Chief Marketing Officer, SAP



Maggie Chan Jones

EDITORS' NOTE Maggie Chan Jones has held her current post since November 2014. Most recently, she served as the inaugural Regional CMO of North America at Level 3 Communications. Before joining Level 3, she spent over seven years at Microsoft Corporation, where she was the Marketing Director of U.S. Cloud Services and Office 365. Prior to her role at Microsoft, Chan held managerial and marketing positions at Sun Microsystems and ADIC.

How do you define the CMO role today?

CMO today is about driving growth. Today, one not only has to think about the brand in terms of how to engage with customers and driving the best brand experience possible, but also to think about how to help the business to drive growth through the portfolio they have, be it product or services.

When we look at who makes that happen, it's people. By 2020, 70 percent of the workforce will be millennials. It's thinking about how to drive towards that future workforce that will be critical.

How do you define SAP's brand message and how critical is it that it be consistent?

First and foremost, it has to align to the company's vision, which is helping the world run better and improving people's lives. That becomes the anchor for us in how we cultivate activities leading to that vision.

In 2014, Bill (McDermott, Chief Executive Officer) talked about One Simple, which became the operating principle for us and the anchor for our marketing campaign. This past year, we launched the One Simple campaign globally.

The premise is that complexity is really hurting businesses. Out of the top 200 companies, 63 percent of the executives find that complexity is lowering their profits by up to 10 percent. Our campaign focuses on how SAP helps companies combat complexity so they can run simple.

Has the shift been more towards digital platforms and social media?

It's definitely important but I also don't want to minimize traditional marketing executions as well. It's more about the brand. Having the right mix is going to be important.

How critical is diversity to SAP and how important was it for you in coming here?

It's absolutely critical. Personally, when I consider joining a company, this is one of the things I look at. We want to make sure that our workforce is mirroring the customer base we're serving.

We serve 190 countries around the world and there are different cultures and ethnic backgrounds, and we need to have that type of diverse workforce from diversity of thought, culture, and everything else.

Out of my leadership team, we are based out of six countries in nine markets; 50 percent are women and 42 percent are ethnic minorities, myself included. ●

A Well-Oiled Machine

An Interview with Vanessa Smith,
Co-Chief of Staff to the Chief Executive Officer, SAP



Vanessa Smith

EDITORS' NOTE Vanessa Smith has held her current post since June 2014. Prior to this, she was Executive Director, Global Value Management; Senior Principal, Office of the CEO; and Senior Principal, Value Engineering. She was also a Solutions Marketing Manager for GE; Solution Marketing Manager for GXS; and Associate at A.T. Kearney. She graduated with an M.B.A. from the University of Maryland and a B.S. from the University of Virginia.

How do you focus your efforts within your role?

When I look at the Chief of Staff role for Bill (McDermott, Chief Executive Officer), I help determine his priorities, how he spends his time, and what his message is going to be, and make sure we get a return on the investment on his valuable time.

There is a strategic element in terms of identifying what our platform is for this year or this timeframe; there is the operational piece on how to align his time, be it internal or external with that platform and what we want to drive; and there is an administrative piece as well.

We have to be a well-oiled machine from strategy to operations and execution to ensure we're driving those key messages, the SAP brand, and Bill's brand.

From the inside, what makes SAP so special?

One is culture and two is our bold strategy. From a culture perspective, ours is one of inclusiveness, innovation, and putting the customer at the heart of everything we do. We drive an environment where coming up with new ideas and quick cycles of trial and error help us arrive at the most innovative results, be it product initiatives or human resources initiatives. Bill came up through the ranks in our sales and our field organizations, and has implemented a culture that has helped significantly.

On the strategy front, five years ago we set out a bold ambition that has been tweaked over time to become a cloud company covered by HANA. We knew it would be hard but we are dedicated to becoming an amazing growth company. We could not be here without having a leader like Bill willing to take the risks.

What opportunities have you seen for women at SAP?

I'm female but also African-American. I've been with the company for so long because they value my thoughts, my strategy, my opinions, and my leadership capabilities. In an industry that is often dominated by men, they were willing to give me visibility and opportunity in my career, and an extra chance to make a difference within SAP.

In addition, we put the numbers behind the talk so it's something we track and measure. We always ask if we have enough women and other diverse populations in the pipeline. When the pipeline isn't strong enough, we benchmark other companies to improve our talent pipeline.

Each of our business units is in the process of hiring a diversity officer to tweak their overall charter to the needs of each part of the organization. ●

Amplifying the Effectiveness of the CEO

An Interview with Jessica Sharman,
Co-Chief of Staff to the Chief Executive Officer, SAP



Jessica Sharman

EDITORS' NOTE Prior to her current role, Jessica Sharman led SAP's post-merger integration team. Earlier in her SAP career, she ran various strategic projects for SAP's Corporate Strategy Group, including the renewal of the SAP Portfolio Process in 2011. Sharman joined SAP in 2005 and started her career in a field role, working directly with customers and SAP account teams in the Value Engineering team. Before she joined SAP, she worked for Peoplesoft in sales value management and for McKinsey and Baan Company in consulting roles. Sharman holds an undergraduate degree from Brown University, and an M.B.A. from Wharton.

from Wharton.

How do you define your role at SAP?

I think of Vanessa (Bill's other Co-Chief of Staff) and myself as multipliers for Bill, as people trying to make him as effective as he can be. It's essential to make sure logistics are running smoothly and that he's briefed as he goes into meetings with customers or internal meetings, so he has the latest and greatest information.

Vanessa is based in the U.S. and I am based in Germany. We work in different time zones and provide coverage almost around the clock to make Bill more effective.

How hard is it to keep everybody happy and can it sometimes be frustrating when that isn't possible?

We do our best but it's a challenge. There are a lot of competing requests for his time. Bill has an amazing amount of energy and capability to process things, so he accomplishes an incredible amount with the support infrastructure he has and manages to stay ahead of the curve. It's always a juggling act but we manage to balance the demands on his time reasonably well.

How important is it to be open and honest when there are good and bad things to tell Bill?

It is important and takes some time. Being open and frank with Bill is getting easier as we develop a deeper relationship with him. Also, Vanessa and I talk about things jointly, giving each other a broad perspective that comes from being surrounded by different sets of people on each continent.

This helps us to adequately decide when something is worth pointing out to Bill, even if it's something bad. Sometimes, one of us might have a feeling that the sky is falling and the other person may have a different perspective on the situation at hand.

How important is it that SAP's culture provides opportunities for women and values diversity?

As a mother of two children, I don't think I could do my job if SAP did not offer flexible working hours.

Vanessa is also a mother of young children and I know she echoes my view. SAP gives its employees a lot of freedom in terms of working schedules, which is really critical and game-changing. ●