GREG TOMB
PRESIDENT
SAP CLOUD APPLICATIONS

Radically Simple SAP?
Look to the CLOUD

It's 2012. At the start of this new year, most readers report that they will be adding new SAP functionality, supporting more mobile devices, on-boarding subsidiaries, or expanding into new regions. Top of mind is how to accomplish these goals quickly, inexpensively, and with limited IT resources. For many, the answer is with the cloud.

The allure of cloud-based business applications among SAP customers is strong. It's an inexpensive, pay-as-you-go model. Cloud applications are up and running in a matter of weeks. Within the SAP portfolio, they're targeted to very specific requirements and integrate seamlessly with existing SAP systems and environments. The SAP cloud portfolio has grown dramatically. Now, under the leadership of Greg Tomb, the customer growth is expected to continue to accelerate.

In this interview, *insiderPROFILES* asked Greg Tomb, President of SAP Cloud Applications, to update its readership on:
- The types of cloud-based applications SAP offers and the challenges they are meant to address
- How these applications differ from the SAP solutions with which readers are familiar
- The cloud fundamentals that need to be understood by the SAP customer base at large
- His predictions for cloud adoption

Q: What type of cloud-based applications does SAP now offer? What challenges are they meant to address?

We have cloud applications for major departments in an organization, from sales and procurement to finance and human resources (HR) (see the table on the next page). The offering is broad, and with a 3,000-person development organization, it's getting bigger by the day.

My guess is that the cloud application that's best known to your readers is SAP Business ByDesign. This solution enables customers to run their entire business with a single, cloud-based application. ERP in the cloud is the best way to look at it. SAP Business ByDesign is actively leveraged by small and large companies alike. Small companies can run their entire operation with SAP software in the cloud. Big companies — even Fortune 500 companies such as Dow Chemical and GE — leverage the solution for divisions. Enterprises that are currently looking for a new ERP alternative to unsupported legacy applications get the most innovative ERP cloud application in the market with SAP Business ByDesign.

In addition, we have targeted cloud applications for sales force automation (SFA), business intelligence (BI), sourcing, travel and expense management, and even carbon and energy management. I spend 90% of my time on the road, so our sales and BI solutions rank among my personal favorites. These applications enable me to actively collaborate with my global team and easily monitor and analyze the business areas I lead. I am also an avid user of our travel expense application, which takes the burden out of submitting expense reports and makes the process

SAP Offers Cloud Applications for Every Major Department in an Organization

SAP Business ByDesign sap.com/businessbydesign	Enables customers to run and manage their entire business with a single, fully integrated, cloud-based application, offering: • Intuitive navigation • Embedded analytics • Built-in learning capabilities • Maintenance by SAP experts • Functionality accessible through mobile devices • Ease of use • Low total cost of ownership
SAP Sales OnDemand sap.com/salesondemand	Designed for sales people, enabling them to sell more effectively, collaborate better with their teams, access and share real-time knowledge and resources, effectively manage accounts and opportunities, and sell more efficiently to win deals in today's competitive selling environment. Offers mobile access to a comprehensive range of sales and productivity functionality, including: • Sales enablement • Collaboration • Networking • Order updates and management • Customer histories and updates • Analysis • Outlook integration • Full integration with SAP ERP
SAP Sourcing OnDemand sap.com/sourcingondemand	Designed for sourcing professionals to obtain rapid and sustainable savings through best practice management, real-time visibility, greater control within strategic sourcing, contract lifecycle management, and supplier management. Offers: • 360-degree sourcing insight • Support for RFI, RFQ, and RFP activities • Collaborative scoring and bid optimization • Reverse and forward auctions with bid console, message board, and graphical event monitoring • Contract authoring, negotiations, and ongoing management • Supplier information and performance management • Comprehensive contract management • Full integration with SAP ERP
SAP Travel OnDemand sap.com/travelondemand	Empowers business travelers to travel smarter, spend better, and receive reimbursements faster, freeing them up to focus on getting business done — all while staying in compliance with corporate policies. Enables travelers to: • Submit receipts effortlessly • Get reimbursed quickly • Stay in compliance with corporate policies • Control travel through pre-trip approvals and online booking • Analyze travel expenses • Photograph documents and invoices • Fully integrate with SAP ERP
SAP StreamWork sapstreamwork.com	Designed to bring together people and information with business systems and processes in a social/collaborative way to drive improved productivity and more informed decision making. This collaboration engine is ideal for companies whose employees work at different locations, and offers: • The ability to exchange agendas • Survey creation • A chat function to facilitate conversation • Integration with SAP systems • Enhanced security capabilities, such as single sign-on • Cost/benefit analysis tools • Responsibility matrices for team awareness
SAP Information Interchange sap.com/solutions/solutionextensions/information-interchange/index.epx Available 2012	Enables networking at the enterprise level, facilitating trading partners to collaborate, share data, and automate processes that link customers and suppliers for streamlined B2B e-commerce. SAP customers can efficiently establish a connection with business partners and then instantly exchange related electronic documents such as purchase orders, forecasts, invoices, and delivery notes, using existing SAP applications. Key business benefits include: • IT simplification by eliminating the need to constantly manage and configure mappings • Accelerated decision making based on more accurate data and the removal of time-intensive manual processes • Lowered compliance risk — comply with any customer or partner B2B/EDI request without having to build point-to-point integration • Reduced IT costs and supplier on-boarding time • Increased business agility through streamlining the process of adding new trading partners
SAP BusinessObjects BI OnDemand sapbiondemand.com	Designed to help businesses get up and running in minutes and explore, report, and share data in a software-as-a-service model. Lets business users: • Leverage search and browse functionality • Compile a report from several data sources • Create interactive visualizations, data sets, charts, and more • Perform what-if analyses • Schedule and share data, reports, or dashboards securely online • Use folder-level security to limit access • Leverage a hosted data warehouse and development environment
SAP Carbon Impact sapcarbonimpact.com	Enables businesses to manage carbon output, energy in facilities, and product lifecycle assessments. Helps global organizations report and profitably reduce the enterprise carbon footprint by: • Establishing an inventory of environmental performance • Quantifying and comparing energy and environmental intensity across operations • Accelerating achievement of internal sustainability goals through collaboration and rewards program tools • Managing performance of the project portfolio • Prioritizing opportunities for energy and emissions reductions

as fast and painless as possible. Mobile devices are my main conduit to the business, so I use my smart phone or tablet to access all these cloud applications.

An affinity for smart phones and tablets is actually one of the key drivers of cloud application adoption. It's one reason our cloud applications are so popular with business users. The flip side of this is one of the challenges that our cloud applications are meant to address — extending business processes to mobile devices. As any IT department can attest, this is no trivial challenge, given the pace of mobile technology advancement as well as resource and infrastructure requirements. Employees, customers, and partners all want mobile access; the mobile devices they use keep changing; and their acuity with this technology often eclipses that of the IT folks. With cloud applications, the burden of mobilizing an application transfers to us.

The other key challenges cloud applications are uniquely qualified to address are speed and flexibility. I ran SAP Services for six years, and I've seen firsthand how IT organizations are being squeezed. CIOs are under tremendous pressure today to quickly address the dynamics of their market space and to do so in a way that gives the company flexibility to meet the specific requirements of individual divisions or locals, yet, at the corporate level, maintain end-to-end controls. Market and competitive forces shift quickly. The CIO's business counterparts — in sales, procurement, and every other part of the business — are asking why they can't have solutions up and running faster. Cloud applications do this in a matter of weeks — and with low operational-based investment.
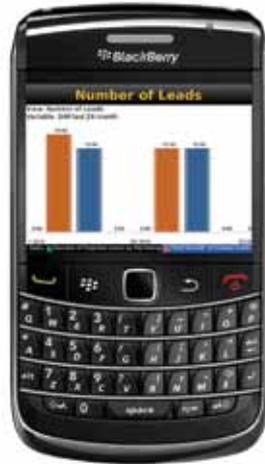
Q: What would our readers find different between SAP cloud applications and the familiar SAP enterprise applications they use now?

The first thing they'll see is that our cloud applications are easy to use. They are designed from the ground up with the end user in mind. I'd go so far as to say they

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SAP Business ByDesign delivers access to key reports — anytime, anywhere

Using SAP Sales OnDemand, sales professionals can access opportunity information quickly

SAP Travel OnDemand allows business travelers to easily maintain their expenses

are fun to use. The user interface is very compelling. The screenshots to the left show a few applications on BlackBerry, iPad, and iPhone mobile devices.

**Q:** What cloud fundamentals need to be understood by the SAP customer base at large?

It is important for every customer to understand:

1. The cloud applications are non-disruptive. These applications are not there to replace existing SAP applications, but rather to extend and augment your existing investment in SAP software.
2. SAP's cloud approach is different from that of our competitors. We allow customers to have mixed landscapes with both SAP cloud applications and traditional SAP software running together.
3. SAP cloud and enterprise applications share the very same data. As such, data passes easily between them. Orders and invoicing activities done on a cloud application are wholly integrated with the SAP back-end systems.
4. SAP cloud applications do not require a major upfront capital investment. They are based on a flexible pay-per-use model.
5. Applications such as SAP Sales OnDemand can be live in less than a week.
6. With a cloud application, you can start small. Many customers start at a team or department level and then expand.
7. Cloud applications don't tax IT departments. The cloud applications are configured, operated, managed, and upgraded by highly experienced SAP professionals with the depth and breadth of skills for managing enterprise applications.
8. SAP runs its cloud applications via the world's best data centers.
9. The cloud applications were engineered for ease of use. Business users will find it easy to get started and quickly become productive.
10. SAP now has cloud solutions for almost every business department.
11. If business users are not familiar with cloud applications, it's time to expose them to at least one cloud application. A trial like this is simple. It doesn't even require real data. Once users like what they see, it's easy to move on to a proof-of-concept with select business teams using real data.
12. When you have a new requirement, look first to our cloud portfolio. Ask yourself if one of these applications fits the bill. If it does, have a department give it a test drive. You stand to save a lot of time and money.
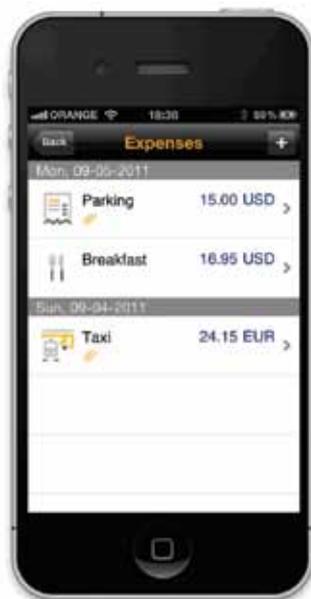
Q: What are your predictions for cloud adoption among SAP customers?

In the next three years, I see a seismic shift from client/server to cloud computing. This is not unprecedented. In the short span from 1992 through 1996, we saw a similar shift from mainframe to client/server computing. Smaller companies led the way in 1992. By 1996, the benefits were so evident that large enterprises became devote converts. I see a similar phenomenon taking hold across the SAP customer base.

Our small-enterprise companies adopted SAP Business ByDesign to get a world-class ERP system working for them without any upfront capital or staffing. Pinkberry is a great example. This company opened its first frozen yogurt shop in West Hollywood in 2005 and now operates more than 100 stores. With growth came an acute need for end-to-end management of finances, HR, logistics, and franchisee relationships. SAP Business ByDesign was customized to meet Pinkberry's specific needs and rolled out in 11 weeks. Skullcandy is another great example. This company is the #2 headphone provider in the US and has grown 300% in roughly four years. They've got a one-man IT shop. And it's SAP Business ByDesign that drives their burgeoning order fulfillment activities.

Our large-enterprise customers quickly followed, leveraging SAP Business ByDesign for subsidiaries and divisions. Average deployment time is three weeks. Key for these customers is the cloud application's plug-and-play capability with their existing SAP environment. (Our cloud and SAP Business Suite applications are built on the same SAP data models.)

So for organizations that have divisions not leveraging the core SAP Business Suite, SAP Business ByDesign gives them the ability to get on a single platform, configure the system for local requirements, and not have to deal with the high cost of installation and management. This is a big differentiator for SAP. We're offering customers a choice to configure their landscape out of on-premise and cloud solutions to best fit their needs and with full assurance that both deployment models will work together.

Today, I see both our small- and large-enterprise customers gravitating to the cloud as they identify new requirements. Anheuser Busch InBev uses SAP Sourcing OnDemand, and ADP, King Arthur Flour, and National Geographic use SAP BusinessObjects BI OnDemand.

Fast forward three years, and it won't just be small and mid-size enterprises actively leveraging cloud applications. You will also see nearly all Fortune 500 companies looking first to the cloud to fulfill new business application requirements. ■