

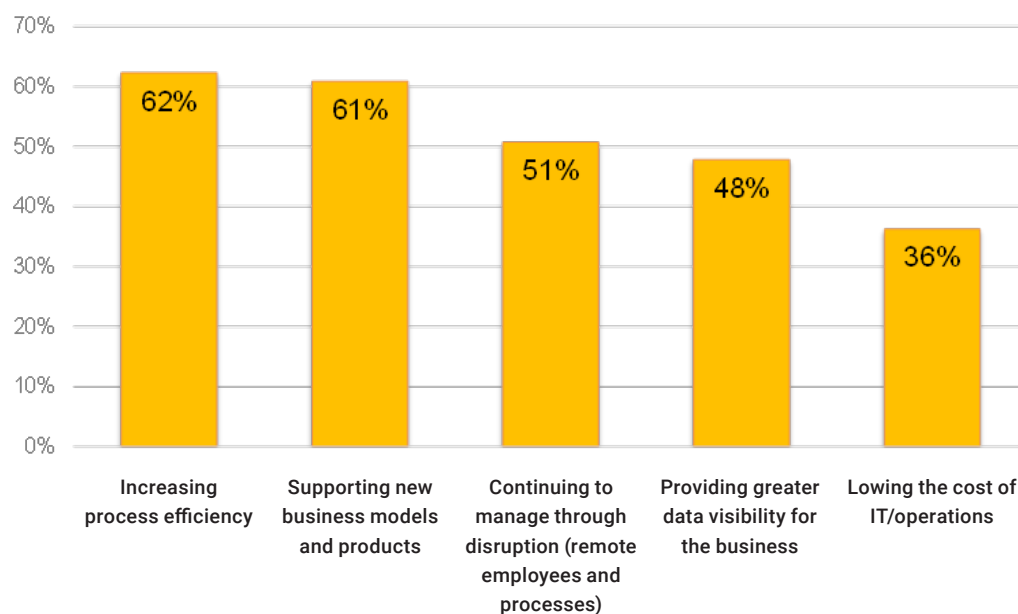
CIOs' 2021 Agenda for SAP and Innovation

An exclusive overview of SAPinsider's Technology Executive Forum virtual March meeting

Driven by the acceleration of digitization in 2020, technology leaders have solidified their innovation agendas for 2021. Insights into these agendas gleaned from SAPinsider's latest research, which examines [executives' top priorities for 2021](#), kicked off the Technology Executive Forum's inaugural virtual meeting on Thursday, March 18.

Research findings concluded that most CIOs are balancing priorities based on process efficiency and supporting new business and product models (Figure 1).

Figure 1 – Top priorities for executives in 2021

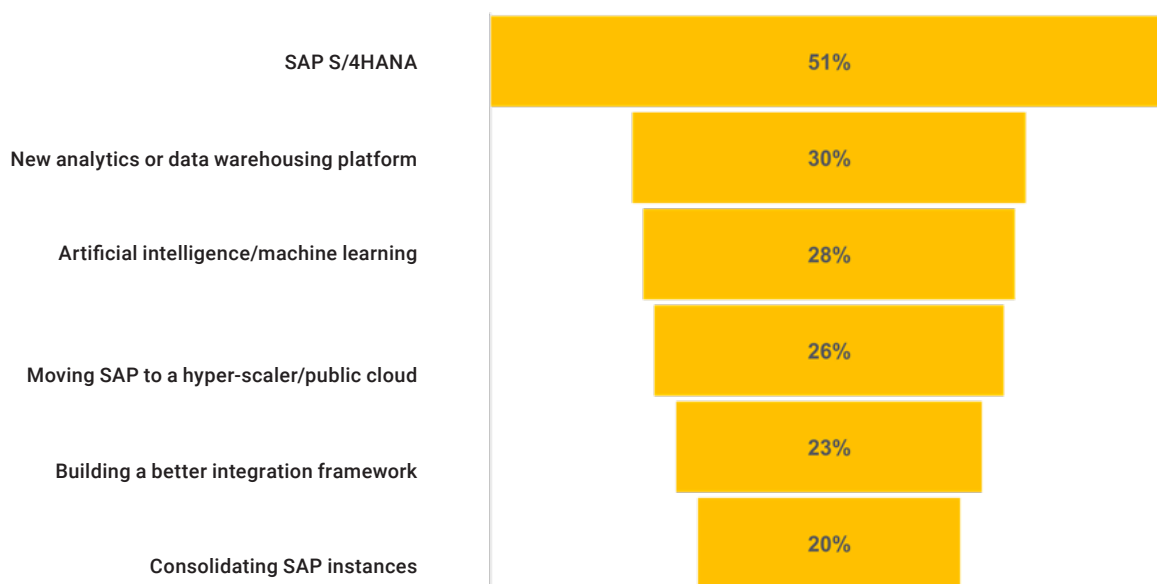


Many companies are reinvesting in teams, skills, and technology. And ensuring strong company culture and proper change management to ensure productivity, health, and motivation of remote employees was identified as a key leadership priority for tech executives.

Additionally, SAPinsider's research found that most tech leaders are in the process of rebuilding their ERP core based on SAP S/4HANA and the cloud and that they are investing in the "three As": Analytics,



Figure 2 – Strategic SAP investments for 2021



Automation, and Artificial intelligence (Figure 2). Integration was also identified as a priority for most leaders.

Keynote speakers included Lars Bolanca, Head of Corporate IT at Deutsche Börse Group; Christian Niederhagemann, Chief Information Officer at the GEA Group; Bernd Henrichs, Chief Digital Officer at Bosch Mobility Solutions; and Reza Nazeman, Chief Executive Officer at CIO Ventures.

Industry experts from Deloitte, SAP, SUSE, Intel, Protiviti, SNP Americas, Avantra, Quickbase, Red Hat, and Winshuttle also shared trends they’re seeing in the market.

Building the Business Case for Transformation

Every business case must include figures and numbers, said Christian Niederhagemann, and GEA’s business case for harmonizing its IT environment – including consolidating more than 70 ERP systems for 200+ legal entities and across 250+ locations into a single SAP S/4HANA platform – is no exception.

However, despite including the necessary calculations and speaking to the obvious technical aspects of the migration project, the key driver for GEA when building the business case for transformation was unique:



Christian Niederhagemann

CIO
GEA

Having the people on their side. And convincing those people to rethink and re-engineer their core processes.

In order to simplify its business and scale innovation, GEA built a process community made up of people who understand GEA's processes and enhanced their understanding with expertise and best practices from SAP and Accenture. GEA also partnered with Signavio to help orchestrate the company's processes onto one, global platform.

Using a greenfield approach GEA started its process redesign and SAP S/4HANA migration from scratch. To date the company has designed 220 brand new processes following best practices from Accenture and SAP and defined 350 user stories. The first SAP S/4HANA roll out is scheduled to happen in July 2021.

Niederhagemann cited two key lessons learned at this point in GEA's transformation journey, aside from the importance of investing in people: One, preparation is essential. And two, be open to all the other innovations you might need during the transformation journey, like Internet of Things, shop floor optimization, and cloud innovations.

Putting Technology in the Hands of Users So They Can Drive Innovation from the Ground up

Lars Bolanca reenforced this powerful message about the importance of process standardization across the business for Deutsche Börse Group, an international exchange organization and innovation market infrastructure provider. Bolanca explained how the organization is leveraging the strengths of multiple providers – including VMWare, OpenShift, and Amazon Web Services – to supports its hybrid multi-cloud environment.

Key takeaways for SAPinsiders:

1. Make your users re-think and re-engineer their own core-processes.
2. Building a process community within your organization is an engaging way to drive innovation.
3. Stay curious and always look for new technologies and ideas – even beyond the boundaries of your core-project.

GEA

- A market and technology leader in the food and beverage processing industry, and chemical, pharma, and marine industries, specializing in machinery and plants as well as process technology and components.
- Headquartered: Germany
- Global presence with more than 18,000 employees



Lars Bolanca

Head of Corporate IT
Deutsche Börse Group

Key takeaways for SAPinsiders:

1. Process standardization is key!
2. Engage with your users.
Get to the hearts and minds of end users through empowerment and dialogue.
3. Set design principles from the very beginning – with high bars for exceptions!

Deutsche Börse Group

- An internationally active exchange organization and innovative market infrastructure provider covering the entire value chain in the financial business with its products, services and technologies.
- Headquartered: Germany
- Global presence with more than 7,000 employees

Bolanca said it's not only about ensuring end-to-end process design for such a complex environment, but actually putting standardized processes into the hands of end users to help define the change and gain buy-in when building the business case. Bolanca's insights echoed those of Niederhagemann about the significant role that not only technology and calculations play in building a business case, but the role of people and how they are presented with and experience change. When first embarking on their journey Bolanca said that Deutsche Börse Group underestimated how closely people hold processes that they have been using for years, and that a strong learning curve was required to teach users about the benefits of Deutsche Börse's process redesign plans – one that could not be proven by simply running through a set of PowerPoint slides.

Instead, when Deutsche Börse implemented SAP SuccessFactors, for example, the company invited a small user group interested in undergoing a learning journey to trial new capabilities that would allow them to enter vacation requests through a mobile phone. The company provided a demo and then gave members of the user group mobile phones to help demonstrate the benefit and also spread the positive word to skeptics. Bolanca said that people liked having this experience at their fingertips, and it's an approach that the company uses time and again to drive change from a people perspective.

Bolanca also shared the importance of setting design principles early on in the project, and setting a high bar for exceptions to the principles. For example, Deutsche Börse set the principle to use the standard processes that software as a service can provide. By defining this principle early on and requiring a strong argument to alter the principle, discussions could flow with less disruption about where processes should live and determining where they could automate, introduce workflows, and make processes measurable with data.

The Evolution of Innovation and the Importance of Failing Fast

A virtual meeting with technology leaders cannot end without talking about how technology innovation is changing within the enterprise. After hearing about



Reza Nazeman
 CEO
 CIO Ventures

Bernd Henrichs
 CDO
 Bosch Mobility Solutions

why companies like GEA and Deutsche Börse Group are innovating, Bernd Henrichs and Reza Nazeman weighed in on the evolving nature of innovation itself, how innovation is defined today, and the role of leadership in supporting innovation in the future.

Henrichs talked about the importance of creating a collaborative ecosystem made up of employees, customers, and partners to foster co-innovation. This collaborative spirit should also be internalized by the company to avoid creating innovation in silos, he said, and at Bosch they have found that achieving transparency and updating employees on a regular basis about innovation projects is an essential component for establishing an innovation mindset. Visibility into leadership’s priorities and projects – big or small – helps establish trust and support an innovation culture.

Nazeman referred to this concept as breaking down the barriers of hierarchy so that regardless of what level an employee is, he or she is empowered to speak up. In today’s virtual workforce the open door policy has been replaced in some companies with an app where employees can hold an open discussion with their colleagues and even leadership.

Role models for technology innovation for

Key takeaways for SAPinsiders:

1. Build an ecosystem for innovations – including partners, customers and employees.
2. Crack the silos in your organization. Innovation blooms from diversity.
3. Find ways to maintain an open door policy – even if your staff works remotely
4. Gain inspiration from outstanding transformational leaders!

CIO Ventures

- More than 25 years of information technology services across various industries, including software, insurance, banking, healthcare, automotive, and oil & gas.
- Offices in Washington, California, and Germany
- Strategic advisors to Venture Capital firms and their corresponding portfolio companies

Bosch Group

- Offers products and services designed to spark enthusiasm, improve quality of life, and help conserve natural resources.
- Headquartered: Germany
- Global presence with more than 394,500 employees



Nazeman include Microsoft's Satya Nadella and SAP's Thomas Saueressig and Christian Klein. He cited multiple examples of admired leadership that have positively impacted the global companies, including the ability to make difficult decisions and alter inefficient company traditions.

A Question From the Audience: How Can Today's Technology Executives Lead Change?

Henrichs' response was reminiscent of an approach that Bolanca also found helpful, but with an added piece of advice: put the change in the hands of users to prove its success – or failure – in the shortest time possible. Said another way: Fail quickly. This is the spirit of the Agile methodology, and an important mindset to have when implementing this method, said Henrich, is accepting that failure is not always a bad thing. It should be expected, and every failure brings you closer to success.

A fundamental principle of the Agile methodology, said Nazeman, is limiting work in progress. He said many companies don't follow through with this principle and end up doing too many things at once, accomplishing less.

Having a clear vision is essential, said Nazeman, and being able to answer the question "what's in it for me?" for the receiving end is important – but sometimes, and perhaps more often than not, consensus kills. Leadership must be able to determine the difference between a scenario that should consider the preferences or opinions of a large group, and situations that are better suited for a small group making a decision.

What Does This Mean for SAPinsiders?

- Standardize, simplify, and scale. Process standardization was a recurring theme among the boardroom discussion, and ensuring end-to-end processes is especially important in a virtual workforce. Without a clean core, however, processes – and people – suffer.
- Put innovation and change in the hands of your people. Change management is hard, but a proven way to gain buy-in faster has been putting the change in the hands of employees or a small user group to demonstrate the benefit. And if it proves unsuccessful, don't be afraid to fail quickly.
- Lead with an open mind and open door. Make room for new and emerging technologies and make time to listen to ideas from employees. Create transparency throughout the business wherever possible. Sometimes decisions will need to be made among a small group but achieving visibility into projects helps prevent innovation happening in silos.



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